

## **Important Notice**

**Important: You must read the following disclaimer before continuing.** The following disclaimer applies to the attached Consent Solicitation Statement, whether received by e-mail or otherwise, and you are therefore advised to read carefully before reading, accessing or making any other use of the attached Consent Solicitation Statement. In accessing the attached Consent Solicitation Statement, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from any of the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent or the Meeting Agent (each as defined in the attached Consent Solicitation Statement).

You are reminded that you have been sent the attached Consent Solicitation Statement on the basis that:

- (a) you are a holder or a beneficial owner of the Securities (as defined in the attached Consent Solicitation Statement);
- (b) you are not resident in the United States (“U.S.”) nor a U.S. person, as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) nor are you acting on behalf of a U.S. person, the electronic mail address that you gave us and to which this email has been delivered is not located in the U.S. and, to the extent you purchase the securities described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act;
- (c) you are either an institutional investor as defined under Section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”), a relevant person as defined under Section 275(2) of the SFA or a person to whom an offer, as referred to in Section 275(1A) of the SFA, is being made;
- (d) you are a person to whom it is lawful to send the attached Consent Solicitation Statement or to make a consent solicitation under all other applicable laws; and
- (e) you consent to delivery by electronic transmission.

The attached Consent Solicitation Statement has been sent to you in an electronic form. The hard copy version of the Consent Solicitation Statement is in the same form as that sent to you in electronic form. However, you are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent or the Meeting Agent, any person who controls, or is a director, officer, employee or agent of, any of the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent or the Meeting Agent, nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Consent Solicitation Statement distributed to you from any source in electronic format and the electronic and hard copy version available to you on request from the Meeting Agent.

You are reminded that the attached Consent Solicitation Statement has been delivered to you on the basis that you are a person into whose possession the Consent Solicitation Statement may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not nor are you authorised to deliver the Consent Solicitation Statement to any other person.

**RESTRICTIONS:** Nothing in this electronic transmission constitutes an offer to buy, or the solicitation of an offer to sell, securities in any jurisdiction in which such offer or solicitation would be unlawful.

**This consent solicitation statement and information memorandum (the “Consent Solicitation Statement”) is important and requires your immediate attention.** If you are in doubt about any aspect of this proposal and/or the action you should take, you should consult your own professional adviser immediately.

This Consent Solicitation Statement is addressed only to Securityholders (as defined below) who are persons to whom it may be lawful to distribute it (“**relevant persons**”). It is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Consent Solicitation Statement relates is available only to relevant persons and will be engaged in only with relevant persons. This Consent Solicitation Statement and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons.

If you have recently sold or otherwise transferred your entire holding(s) of the Securities (as defined below), you should immediately forward this Consent Solicitation Statement to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

**Securityholders should only act upon the terms and conditions set out in this Consent Solicitation Statement.**

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## **Ezion Holdings Limited**

*(UEN/Company Registration No. 199904364E)  
(Incorporated in the Republic of Singapore)*

### **Consent Solicitation Statement**

**in relation to its**

**Series 003 S\$110,000,000 4.70% notes due 2019 (ISIN: SG56F6993056) (the “Series 003 Securities”);  
Series 004 S\$60,000,000 4.60% notes due 2018 (ISIN: SG57D3995685) (the “Series 004 Securities”);  
Series 005 S\$50,000,000 4.85% notes due 2019 (ISIN: SG6OF1000004) (the “Series 005 Securities”);  
Series 006 S\$55,000,000 5.10% notes due 2020 (ISIN: SG6PB3000008) (the “Series 006 Securities”);  
Series 007 S\$150,000,000 4.875% notes due 2021 (ISIN: SG6RD2000001) (the “Series 007 Securities”); and  
Series 008 S\$150,000,000 7.00% subordinated perpetual securities (ISIN: SG6UH9000009)  
(the “Series 008 Securities” and, together with the Series 003 Securities, the Series 004 Securities, the Series 005 Securities,  
the Series 006 Securities and the Series 007 Securities, the “Securities”)  
in each case issued under the S\$1,500,000,000 Multicurrency Debt Issuance Programme of  
Ezion Holdings Limited (the “Issuer”)**

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The Issuer is seeking approval by Extraordinary Resolution No.1 (as defined herein) of the holders of each Series (as defined herein) of the Securities (the “**Securityholders**”) pursuant to the MTN Trust Deed (as defined herein) to, *inter alia*, provide certain waivers and amend certain provisions of the Securities as follows:

In relation to the Series 003 Securities, Series 004 Securities, Series 005 Securities, Series 006 Securities and Series 007 Securities:

- (a) (i) amend the interest provisions of each such Series of Securities to reduce the Rate of Interest (as defined in the MTN Trust Deed), and issue Interest Notes (as defined herein) or Shares (as defined herein) in payment of the applicable interest due up to the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed, (ii) waive the non-payment of any and all interest on each such Series of Securities (other than as specified) and (iii) waive the occurrence of any existing or future Event of Default (as defined in the MTN Trust Deed) or, as the case may be, Potential Event of Default (as defined in the MTN Trust Deed) as a result of any such non-payment of interest;
- (b) waive the occurrence of any existing or future Event of Default or, as the case may be, Potential Event of Default as described herein;
- (c) delete the financial covenants and waive non-compliance with any such covenant and term in the MTN Trust Deed and the relevant Series of Securities;
- (d) amend the negative pledge to insert an additional exception allowing the Issuer and its Subsidiaries to grant any security in connection with the transactions contemplated by the Refinancing and waive non-compliance with any such covenant and term in the MTN Trust Deed and the relevant Series of Securities; and
- (e) add an additional redemption option to provide that the Issuer may redeem all (but not some only) of the Relevant Series of Securities at the Refinancing Redemption Amount, payable entirely in the form of an equivalent principal amount of Refinancing Series B Convertible Bonds, unless the relevant Securityholder elects to receive an equivalent principal amount of Refinancing Series A Non-Convertible Bonds;

AND

In relation to the Series 008 Securities:

- (a) (i) amend the distribution provisions of the Series 008 Securities to reduce the Distribution Rate (as defined in the MTN Trust Deed), issue Distribution Notes (as defined herein) or Shares in payment of the applicable distribution due up to the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed, (ii) amend the step-up distribution provision, (iii) waive the non-payment of any and all distribution on such Securities (other than as specified), and (iv) agree that any such non-payment shall not be a non-payment event, not be a failure to make payment, nor give rise to a right to institute proceedings or take any action against the Issuer;
- (b) amend the Series 008 Securities to enable the Series 008 Securities to be convertible; and
- (c) add an additional redemption option to the Series 008 Securities to provide that if the Series 008 Securities becomes so convertible, a holder of the Series 008 Securities may elect to require the Issuer to redeem the Series 008 Securities of such holder at the Refinancing Redemption Amount, payable entirely in the form of an equivalent principal amount of Refinancing Series C Non-Convertible Bonds,

in each case all as more fully described in “*The Proposal - Terms of the Proposal*” (such proposal, together with the proposal in relation to the Extraordinary Resolution No. 2 summarised below, the “**Proposal**”), and for such consequential changes as the MTN Trustee (as defined herein), in its absolute discretion, may deem necessary, desirable or expedient to give effect to the actions and modifications referred to in each Extraordinary Resolution No. 1 relating to the relevant Series of Securities (such consent solicitation, together with the consent solicitation in relation to the Extraordinary Resolution No. 2 summarised below, the “**Consent Solicitation**”).

If Extraordinary Resolution No. 1 is not passed by the Securityholders of the relevant Series of Securities (other than the Series 008 Securities), the Issuer is seeking approval by Extraordinary Resolution No. 2 (as defined herein) of the Securityholders of such Series of Securities (other than the Series 008 Securities), to take place at the same Meeting (in each case as defined herein) immediately after the results of the voting with respect to the Extraordinary Resolution No. 1 is announced, to provide certain waivers and amend certain provisions of such Series of Securities (other than the Series 008 Securities) as follows:

- (a) waive the occurrence of any existing or future Event of Default or, as the case may be, Potential Event of Default as described herein;
- (b) delete the financial covenants and waive non-compliance with any such covenant and term in the MTN Trust Deed and the Securities (other than the Series 008 Securities); and
- (c) delete the negative pledge and waive non-compliance with any such covenant and term in the MTN Trust Deed and the relevant Series of Securities (other than the Series 008 Securities),

as more fully described in “*The Proposal - Terms of the Proposal*” and for such consequential changes as the MTN Trustee (as defined herein), in its absolute discretion, may deem necessary, desirable or expedient to give effect to the actions and modifications referred to in each Extraordinary Resolution No. 2 relating to the relevant Series of Securities.

If the relevant Extraordinary Resolution is passed at the relevant Meeting (as defined herein), the waivers contained therein will become immediately effective, and will become immediately binding on Securityholders of the relevant Series of Securities to which such Extraordinary Resolution relates, including those Securityholders who do not accept the Proposal, attend the Meeting and/or vote. While the Supplemental Trust Deed (as defined herein) of each Series of Securities is expected to be executed if and promptly after such Extraordinary Resolution is duly passed, the proposed amendments to the terms of the MTN Trust Deed and the Conditions as described in such Extraordinary Resolution of the relevant Series of Securities will not become effective until the conditions precedent contained in such Supplemental Trust Deed have been satisfied and/or waived, including (but not limited to) the passing of the Shareholders Extraordinary Resolution(s) (as defined herein).

The Refinancing Series A Non-Convertible Bonds, the Refinancing Series B Convertible Bonds and the Refinancing Series C Non-Convertible Bonds (together, the “**Refinancing Bonds**”) will each be issued as a standalone issue of securities and not as a separate series under the Programme (as defined herein). If the redemptions summarised above and described herein take place, the Securities of the relevant Series that are redeemed will no longer be outstanding and the Securityholders of such Series of Securities will not be entitled to any further payments in respect of such Series of Securities after such redemption.

The Issuer is convening meetings of Securityholders of each Series (the “**Meetings**” and each, a “**Meeting**”) to consider the Proposal. The notice convening the Meetings at which the Extraordinary Resolutions in respect of each Series to approve the Proposal and its implementation will be considered and, if thought fit, passed, has been published in *The Business Times* and (in the case of the Series 008 Securities) also mailed to the persons shown in the list of Series 008 Securityholders provided by CDP (as defined herein), in each case in accordance with the Conditions of the Securities of the relevant Series. A copy of the form of the notice is set out in Appendix A to this Consent Solicitation Statement.

Securityholders of a Series of Securities who submit or deliver (or who arrange to have submitted or delivered on their behalf) Voting Instructions (as defined herein) voting in favour of the Extraordinary Resolution(s) in relation to such Series of Securities on or prior to the Consent Deadline (as defined herein) to the Meeting Agent (as defined herein), and do not subsequently revoke or amend such instructions, shall be eligible to receive 6,000 Shares for every S\$250,000 in principal amount of the relevant Series of Securities which are the subject of the Voting Instruction (the “**Consent Fee**” and such Shares the “**Consent Fee Shares**”) issued at an issue price of S\$0.2763 per Share, subject to the Settlement Conditions being fulfilled. If a Securityholder who is entitled to the Consent Fee elects to receive Refinancing Series A Non-Convertible Bonds or Refinancing Series C Non-Convertible Bonds (as described below), such Securityholder shall be deemed to have instructed the Issuer to sell, and the Issuer may make arrangements (in its discretion) for the sale of, such number of Shares such Securityholder would be entitled to, and the proceeds of such sale (after deduction of any applicable brokerage fees and applicable taxes) shall be paid to such Securityholder.

Securityholders who submit or deliver Voting Instructions after the Consent Deadline will not be eligible to receive any Consent Fee. During the period commencing from (but excluding) the Expiration Time and ending at the conclusion of the Meeting, Securityholders will not be able to submit or deliver Voting Instructions, unless the Meeting is adjourned for want of a quorum. Where a Meeting is so adjourned, Securityholders should note that Voting Instruction Forms given to the Meeting Agent in respect of the relevant Meeting shall remain valid for the adjourned Meeting, unless validly revoked, and Securityholders will be able to revoke, amend, submit or deliver Voting Instructions up to and including

the Adjournment Instruction Deadline, but will not be able to do so during the period commencing from (but excluding) the Adjournment Instruction Deadline and ending at the conclusion of the adjourned Meeting. Any Voting Instructions received during such periods will not be effective.

Securityholders of each Series of Securities (other than the Series 008 Securities) must elect in the Voting Instruction Form whether to receive Refinancing Series A Non-Convertible Bonds or Refinancing Series B Convertible Bonds and Securityholders of the Series 008 Securities must elect whether to receive Refinancing Series C Non-Convertible Bonds or continue to hold the proposed amended Series 008 Securities. **If a Securityholder does not so elect prior to the Expiration Time or, if there is an adjourned Meeting, the Adjournment Instruction Deadline, such Securityholder will receive Refinancing Series B Convertible Bonds (in the case of a Securityholder of the Securities other than the Series 008 Securities) or be deemed to agree to continue to hold the proposed amended Series 008 Securities (in the case of a Securityholder of the Series 008 Securities), in each case assuming that the Extraordinary Resolution No. 1 of the relevant Series of Securities is passed and the conditions precedent to the effectiveness of the relevant Supplemental Trust Deed of the relevant Series of Securities is satisfied and/or waived.**

Holders of the Refinancing Series B Convertible Bonds and holders of the proposed amended Series 008 Securities who exercise the Conversion Right with respect to each S\$50,000 in principal amount of such securities will receive free warrants (the “**Warrants (2018-Securityholders)**”) as follows: (1) if on or prior to the date that is 60 days after the issue date of the Refinancing Series B Convertible Bonds or the effective date of the amendments to the Series 008 Securities, as the case may be, 50,000 Warrants (2018-Securityholders) for every S\$50,000 in principal amount of such securities converted and (2) if after 60 days but on or prior to six months after such issue date or effective date, as the case may be, 25,000 Warrants (2018-Securityholders) for every S\$50,000 in principal amount of such securities converted. Each Warrant (2018-Securityholders) will entitle the holder thereof to subscribe for one Share at an exercise price of S\$0.2763 per Share on or prior to the date that is 24 months after the issue date of the Refinancing Series B Convertible Bonds or the effective date of the amendments to the Series 008 Securities, as the case may be.

Only Securityholders who are Direct Participants (as defined herein) in CDP may submit or deliver Voting Instructions (as defined herein). Securityholders who are not Direct Participants in CDP should arrange for the Direct Participant through which they hold their Securities to submit or deliver a Voting Instruction on their behalf to the Meeting Agent (as defined herein) as more particularly described in this Consent Solicitation Statement under “*The Proposal—Procedures for Voting*”. **Such Direct Participant may require such Securityholders to give instructions to submit or deliver Voting Instructions and make the election described above several days prior to the Expiration Time or the Adjournment Instruction Deadline (each as defined herein), as the case may be.**

Securityholders (including Securityholders whose Direct Participants through which they hold their Securities are acting on their behalf) who wish to vote must take action prior to the Expiration Time. During the period commencing on the Expiration Time and ending at the conclusion of the Meeting, Direct Participants will not be able to submit or deliver Voting Instruction Forms. Any Voting Instruction Forms received during such period will not be effective. Direct Participants holding Series 008 Securities who have not submitted or delivered or arranged for the submission or delivery of a Voting Instruction Form as provided above but who wish to attend and vote at the Meeting may do so in accordance with the voting and quorum procedures contained in this Consent Solicitation Statement.

**Securityholders who submit or deliver Voting Instructions voting in favour of the Extraordinary Resolution(s) of the relevant Series of Securities on or prior to the Consent Deadline and who wish to receive the Consent Fee must not subsequently revoke or amend such instructions. Securityholders will not be able to revoke or amend Voting Instruction Forms at any time after the Expiration Time (with respect to the Meeting) or, if there is an adjourned Meeting, the Adjournment Instruction Deadline.**

**Subject to applicable law, the provisions of the MTN Trust Deed, and as provided in this Consent Solicitation Statement, the Issuer may, in its sole discretion, extend, re-open, amend, waive any condition of, or terminate this Consent Solicitation (as defined herein) at any time prior and up to the Expiration Time or, if applicable, the Adjournment Instruction Deadline. Details of any such extension, re-opening, amendment, waiver or termination will be announced to Securityholders as soon as reasonably practicable.**

The Issuer has not registered and will not register the Refinancing Bonds, the Warrants (2018-Securityholders), the Shares to be issued upon conversion of the Refinancing Series B Convertible Bonds, the Series 008 Securities and the Warrants (2018-Securityholders), the Shares to be issued in lieu of Interest Notes or Distribution Notes and the Consent Fee Shares under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any state securities laws. The Refinancing Bonds, the Warrants (2018-Securityholders), the Shares to be issued upon conversion of the Refinancing Series B Convertible Bonds, the Series 008 Securities and the Warrants (2018-Securityholders), the Shares to be issued in lieu of Interest Notes or Distribution Notes and the Consent Fee Shares may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Refinancing Bonds, the Warrants (2018-Securityholders), the Shares to be issued upon conversion of the Refinancing Series B Convertible Bonds, the Series 008 Securities and the Warrants (2018-Securityholders), the Shares to be issued in lieu of Interest Notes or Distribution Notes and the Consent Fee Shares will only be offered and issued and sold outside the United States to holders of the Securities who are persons other than “U.S. persons”, as that term is defined in Rule 902 under the Securities Act, in offshore transactions in reliance upon Regulation S under the Securities Act.

This Consent Solicitation Statement has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (the “**MAS**”). Accordingly, this Consent Solicitation Statement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Refinancing Bonds, the Warrants (2018-Securityholders), the Interest Notes and the Distribution Notes may not be circulated or distributed, nor may the Refinancing Bonds, the Warrants (2018-Securityholders), the Interest Notes and the Distribution Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”), (ii) to a relevant person pursuant to Section 275(1) of the SFA or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA (including, but not limited to, Section 273(ce) of the SFA.

Where the Refinancing Bonds, the Warrants (2018-Securityholders), the Interest Notes and the Distribution Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

Securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Refinancing Bonds, the Warrants (2018-Securityholders), the Interest Notes and the Distribution Notes pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Application will be made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") prior to the date of the Shareholders' Meeting (as defined herein) to list (a) the Refinancing Bonds, (b) the Shares to be issued upon conversion of the Refinancing Series B Convertible Bonds and the Series 008 Securities and the exercise of the Warrants (2018-Securityholders), and (c) the Shares to be issued in lieu of Interest Notes or Distribution Notes on the Main Board of the SGX-ST. If the proposal is consummated, the Refinancing Series B Convertible Bonds issued and the amendments to the Series 008 Securities become effective, the Issuer intends to make an application for the listing of the Warrants (2018-Securityholders) if the listing criteria (including but not limited to the public spread requirements) are met and any applicable regulatory approvals are obtained.

The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the transactions contemplated by the Consent Solicitation, the Issuer, the Refinancing Bonds, the Warrants (2018-Securityholders), the Interest Notes, the Distribution Notes, the Series 008 Securities and the Shares. The Refinancing Bonds and the Series 008 Securities may only be traded on the SGX-ST in a board lot size of at least S\$200,000. The Interest Notes and the Distribution Notes will not be, and the Warrants (2018-Securityholders) upon their issuance will not be, listed on any stock or securities exchange.

Questions or requests for further information and assistance in relation to the Consent Solicitation or this Consent Solicitation Statement may be directed to the Issuer during normal business hours at its address, e-mail address and telephone number set forth on the back cover of this Consent Solicitation Statement.

Questions or requests for assistance in connection with voting at the Meeting and/or the submission or delivery of Voting Instructions may be directed to Tricor Singapore Pte. Ltd. (trading as Tricor Barbinder Share Registration Services) (the "Meeting Agent") between 8.30 a.m. to 5.00 p.m. (Singapore time) from Mondays to Fridays (excluding public holidays) at its address, e-mail address and telephone number set forth on the back cover of this Consent Solicitation Statement.

The date of this Consent Solicitation Statement is 23 October 2017.

The Issuer has confirmed that this Consent Solicitation Statement contains all information which is material (in the context of the Consent Solicitation), is true and accurate in all material respects and is not misleading in any material respect. The Issuer accepts responsibility for the information contained in this Consent Solicitation Statement.

This Consent Solicitation Statement does not constitute or form part of, and should not be construed as, an offer for sale or subscription of, or a solicitation of any offer to buy or subscribe for, any securities of the Issuer or any other entity. The distribution of this document may nonetheless be restricted by law in certain jurisdictions. In order to avoid any violation of laws applicable in countries other than Singapore, this Consent Solicitation Statement has not been and will not be mailed to Securityholders who do not currently have an address in Singapore (“**Foreign Securityholders**”). Foreign Securityholders who wish to obtain a copy of this Consent Solicitation Statement should provide in writing an address in Singapore to the Meeting Agent no fewer than five Business Days (as defined herein) before the Expiration Time.

**Beneficial Owners (as defined herein) of Securities held by a Direct Participant who wish to attend the Meeting or to vote in respect of the Proposal and who wish to elect whether to receive Refinancing Series A Non-Convertible Bonds or Refinancing Series B Convertible Bonds (in the case of Securities other than the Series 008 Securities) or to receive Refinancing Series C Non-Convertible Bonds or continue to hold the proposed amended Series 008 Securities (in the case of the Series 008 Securities) must contact such Direct Participant and instruct such Direct Participant to submit or deliver Voting Instructions and make such election. Such Direct Participant may require such Beneficial Owners to give instructions to submit or deliver Voting Instructions and make such election several days prior to the Expiration Time or Adjournment Instruction Deadline (as defined herein), as the case may be.**

This Consent Solicitation Statement does not constitute a solicitation in any circumstances in which such solicitation is unlawful. None of the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent, the Refinancing Bonds Trustee, the Refinancing Bonds Principal Paying Agent, the Refinancing Bonds Registrar or the Meeting Agent will incur any liability for its own failure or the failure of any other person or persons to comply with the provisions of any such restrictions.

The delivery or distribution of this Consent Solicitation Statement shall not under any circumstances create any implication that the information contained in this Consent Solicitation Statement is correct as at any time subsequent to the date of this Consent Solicitation Statement or that there has been no change in the information set out in this Consent Solicitation Statement or in the affairs of the Issuer. This Consent Solicitation Statement is solely directed at the Securityholders.

No person has been authorised to make any recommendation on behalf of the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent, the Refinancing Bonds Trustee, the Refinancing Bonds Principal Paying Agent, the Refinancing Bonds Registrar or the Meeting Agent as to whether, or how, Securityholders should vote in relation to the Extraordinary Resolution. No person has been authorised to give any information, or to make any representation in connection therewith, other than those contained in this Consent Solicitation Statement. If made or given, such recommendation or any such information or representation must not be relied upon as having been authorised by the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent, the Refinancing Bonds Trustee, the Refinancing Bonds Principal Paying Agent, the Refinancing Bonds Registrar or the Meeting Agent.

Each person receiving this Consent Solicitation Statement acknowledges that such person has not relied on the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent, the Refinancing Bonds Trustee, the Refinancing Bonds Principal Paying Agent, the Refinancing Bonds Registrar or the Meeting Agent in connection with its decision on whether, or how, to vote in relation to the Extraordinary Resolution at the relevant Meeting. Each such person must make its own analysis and investigation regarding the Proposal and make its own voting decision, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such voting decision. If such person is in any doubt about any aspect of the Proposal and/or the action it should take, it should consult its professional advisers.

In accordance with market practice, none of the MTN Trustee, the MTN Issuing and Paying Agent, the Refinancing Bonds Trustee, the Refinancing Bonds Principal Paying Agent, the Refinancing Bonds Registrar or the Meeting Agent expresses any opinion on the merits of the Extraordinary Resolutions or the Proposal. None of the MTN Trustee, the MTN Issuing and Paying Agent, the Refinancing Bonds Trustee, the Refinancing Bonds Principal Paying Agent, the Refinancing Bonds Registrar or the Meeting Agent has been involved in the formulation or negotiation of the Proposal. Securityholders should also note that the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent, the Refinancing Bonds Trustee, the Refinancing Bonds Principal Paying Agent, the Refinancing Bonds Registrar and the Meeting Agent cannot and do not offer any advice on investment risks, if any, faced by Securityholders. Securityholders who are unsure of the consequences of the Extraordinary Resolution or the Proposal should seek their own independent financial, tax and legal advice.

The MTN Trustee does not assume any responsibility for the accuracy or completeness of the information concerning the Issuer, the MTN Issuing and Paying Agent, the Refinancing Bonds Trustee, the Refinancing Bonds Principal Paying Agent, the Refinancing Bonds Registrar, the Meeting Agent or any of their respective subsidiaries or the Proposal contained in this Consent Solicitation Statement or for any failure by the Issuer, the MTN Issuing and Paying Agent, the Refinancing Bonds Trustee, the Refinancing Bonds Principal Paying Agent, the Refinancing Bonds Registrar or the Meeting Agent to disclose events that may have occurred after the date of this Consent Solicitation Statement that may affect the significance or accuracy of such information. Neither the MTN Trustee nor any of its directors, officers, employees, agents or affiliates, makes any recommendation on whether Securityholders should participate in this Consent Solicitation.

During the Earmarking Period (as defined herein), the Securities which are the subject of Voting Instructions may not be traded or transferred. Securities which are the subject of Voting Instructions will be earmarked by CDP (as defined herein) in accordance with its procedures and as more specifically set out in the section entitled “*The Proposal—Procedures for Voting*” of this Consent Solicitation Statement. A Securityholder will, on submitting valid Voting Instructions, agree that its Securities will be earmarked by CDP to the order of the Meeting Agent for such time as described in the section entitled “*The Proposal—Procedures for Voting*” of this Consent Solicitation Statement.

This Consent Solicitation Statement is issued and directed only to the Securityholders and no other person (save for the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent, the Refinancing Bonds Trustee, the Refinancing Bonds Principal Paying Agent, the Refinancing Bonds Registrar or the Meeting Agent) shall, or is entitled to, rely or act on, or be able to rely or act on, its contents.

#### **INCORPORATION OF DOCUMENTS BY REFERENCE**

The following documents published or issued after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Consent Solicitation Statement: (1) any annual reports, audited consolidated accounts and/or publicly announced unaudited financial statements of the Issuer and its subsidiaries and associated companies (if any), and (2) any supplement or amendment to this Consent Solicitation Statement issued by the Issuer. This Consent Solicitation Statement is to be read in conjunction with all such documents which are incorporated by reference herein. Any statement contained in this Consent Solicitation Statement or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Consent Solicitation Statement to the extent that a statement contained in this Consent Solicitation Statement or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Consent Solicitation Statement. Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Meeting Agent (as defined herein).

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## Definitions

Terms used but not defined in this Consent Solicitation Statement shall, unless the context otherwise requires, have the meanings set out in the MTN Trust Deed, the Conditions of the Securities, the Refinancing Bonds Trust Deed and the Conditions of the Refinancing Bonds, as the case may be. In addition, the following terms shall have the following meanings:

<b>Adjournment Instruction Deadline</b> .....	Not less than 48 hours prior to the time and date fixed for any adjourned Meeting.
<b>Beneficial Owner</b> .....	A beneficial owner of the Securities holding such Securities, directly or indirectly, in accounts in the name of a Direct Participant acting on the beneficial owner's behalf.
<b>Business Day</b> .....	A day, other than a Saturday or a Sunday or gazetted public holiday, on which banks and foreign exchange markets are open for general business in Singapore.
<b>CDP</b> .....	The Central Depository (Pte) Limited.
<b>Companies Act</b> .....	Companies Act, Chapter 50 of Singapore.
<b>Conditions of the Refinancing Bonds</b> .....	Shall have the meaning ascribed to “ <b>Conditions</b> ” in the Refinancing Bonds Trust Deed.
<b>Conditions of the Securities</b> .....	Shall have the meaning ascribed to “ <b>Conditions</b> ” in the MTN Trust Deed.
<b>Consent Deadline</b> .....	5.00 p.m. (Singapore time) on 15 November 2017, or such other time and date as the Issuer may determine.
<b>Consent Fee</b> .....	If Voting Instructions voting in favour of both Extraordinary Resolution No. 1 and Extraordinary Resolution No. 2 (in relation to the Securities other than the Series 008 Securities) or in favour of Extraordinary Resolution No. 1 (in relation to the Series 008 Securities) are received on or prior to the Consent Deadline (and not subsequently revoked or amended), subject to the fulfilment of the Settlement Conditions, a payment by the Issuer to each Securityholder who has submitted or delivered (and not subsequently revoked or amended) such Voting Instructions of 6,000 Consent Fee Shares for every S\$250,000 in principal amount of the Securities of the relevant Series which are the subject of such Voting Instruction, such payment to be in the form of Shares to be issued at an issue price of S\$0.2763 per Share, subject to the Settlement Conditions being fulfilled. If a Securityholder who is entitled to the Consent Fee elects to receive Refinancing Series A Non-Convertible Bonds or Refinancing Series C Non-Convertible Bonds (as described below), such Securityholder shall be deemed to have instructed the Issuer to sell, and the Issuer may make arrangements (at its discretion) for the sale of, such number of Shares such Securityholder would be entitled to, and the proceeds of such sale (after deduction of any applicable brokerage fees and applicable taxes) shall be paid to such

Securityholder.

Securityholders who have submitted Voting Instructions voting in favour of the Extraordinary Resolution or Extraordinary Resolutions, as the case may be, on or prior to the Consent Deadline in order to receive the Consent Fee must not subsequently revoke or amend Voting Instructions.

<b>Consent Fee Shares</b> .....	The Shares to be issued in payment of the Consent Fee.
<b>Couponholders</b> .....	Shall have the meaning ascribed to “ <b>Couponholders</b> ” in the Conditions.
<b>Depositors</b> .....	Shall have the meaning ascribed to “ <b>Depositors</b> ” in the Companies Act.
<b>Direct Participant</b> .....	Each person who is shown in the records of the CDP as a holder of the Securities.
<b>Distribution Notes</b> .....	The zero coupon notes due 2027 to be issued by the Issuer to Securityholders who elect to receive Refinancing Series C Non-Convertible Bonds in payment for the distribution payable with respect to the distribution on the Series 008 Securities from and including the Distribution Payment Date of the Series 008 Securities immediately preceding the date Extraordinary Resolution No. 1 of the Series 008 Securities is passed to but excluding the such date.
<b>Earmarking Period</b> .....	Shall have the meaning ascribed to it in the section entitled “ <i>The Proposal—Procedures for Voting</i> ” of this Consent Solicitation Statement.
<b>Expiration Time</b> .....	In respect of: <ul style="list-style-type: none"><li>• the Series 003 Securities, 9:00 a.m. (Singapore time) on 18 November 2017;</li><li>• the Series 004 Securities, 9:30 a.m. (Singapore time) on 18 November 2017;</li><li>• the Series 005 Securities, 10:00 a.m. (Singapore time) on 18 November 2017;</li><li>• the Series 006 Securities, 10:30 a.m. (Singapore time) on 18 November 2017;</li><li>• the Series 007 Securities, 11:00 a.m. (Singapore time) on 18 November 2017; and</li><li>• the Series 008 Securities, 11:30 a.m. (Singapore time) on 19 November 2017.</li></ul>
<b>Extraordinary Resolutions</b> .....	The Extraordinary Resolution No. 1 and, if applicable for the relevant Series of Securities, the Extraordinary Resolution No. 2.

<b>Extraordinary Resolution No. 1</b> .....	In respect of each Series of Securities, the extraordinary resolution no. 1 to approve that part of the Proposal to be proposed and considered at the Meeting of Securityholders of such Series of Securities, as set out in “ <i>Forms of Notice of Meeting - Extraordinary Resolutions — Extraordinary Resolution No. 1</i> ” as contained in Appendix A.
<b>Extraordinary Resolution No. 2</b> .....	In respect of each Series of Securities (other than the Series 008 Securities), the extraordinary resolution no. 2 to approve that part of the Proposal to be proposed and considered at the Meeting of Securityholders of such Series of Securities (other than the Series 008 Securities), as set out in “ <i>Forms of Notice of Meeting - Extraordinary Resolutions — Extraordinary Resolution No. 2</i> ” as contained in Appendix A.
<b>FY2014</b> .....	The financial year ended 31 December 2014.
<b>FY2015</b> .....	The financial year ended 31 December 2015.
<b>FY2016</b> .....	The financial year ended 31 December 2016.
<b>Group</b> .....	The Issuer and its subsidiaries.
<b>HY2017</b> .....	The half year ended 30 June 2017.
<b>Interest Notes</b> .....	The zero coupon notes due 2024 to be issued by the Issuer to Securityholders who elect to receive Refinancing Series A Non-Convertible Bonds in payment for the interest payable with respect to the interest on the relevant Series of Securities (other than the Series 008 Securities) from and including the Interest Payment Date of such relevant Series of Securities (other than the Series 008 Securities) immediately preceding the date Extraordinary Resolution No. 1 of such relevant Series of Securities (other than the Series 008 Securities) is passed to but excluding such date.
<b>IRAS</b> .....	Inland Revenue Authority of Singapore.
<b>MTN Issuing and Paying Agent</b> .....	DBS Bank Ltd.
<b>Latest Practicable Date</b> .....	17 October 2017.
<b>Meeting</b> .....	In respect of each Series of Securities, the meeting of Securityholders of such Series of Securities to be held at such time(s), date(s) and place(s) as specified herein to consider and vote on the Extraordinary Resolution(s) applicable to such Series of Securities, or any adjourned meeting to consider and vote on the Extraordinary Resolution(s) applicable to such Series of Securities.
<b>Meeting Agent</b> .....	Tricor Singapore Pte. Ltd. (trading as Tricor Barbinder Share Registration Services) as delegate of the MTN Issuing and Paying Agent in respect of the Consent Solicitation and the Meeting.
<b>MTN Agency Agreement</b> .....	The agency agreement dated 9 May 2012 made between (1) the Issuer, as issuer, (2) the MTN Issuing and Paying Agent,

as issuing and paying agent, CDP paying agent, transfer agent, calculating agent and registrar and (3) the MTN Trustee, as trustee relating to the Programme.

<b>MTN Trust Deed</b> .....	The trust deed dated 9 May 2012 (as so amended from time to time) between the Issuer, as issuer, and the MTN Trustee, as trustee, relating to the Programme and constituting the Securities.
<b>MTN Trustee</b> .....	DBS Trustee Limited.
<b>Programme</b> .....	The S\$1,500,000,000 Multicurrency Debt Issuance Programme of the Issuer.
<b>Proposal</b> .....	The proposal contained in the section of this Consent Solicitation Statement entitled “ <i>The Proposal</i> ”.
<b>Refinancing</b> .....	<p>The refinancing exercise covering the Group of all of its current secured and unsecured debts (excluding, if deemed necessary by the Issuer, trade debts incurred or to be incurred in the ordinary course of business), primarily proposed to be carried out by way of:</p> <ul style="list-style-type: none"> <li>(a) consensual bilateral negotiations with each of the secured lenders of the Group on terms that will provide the Group with sufficient working capital to continue its business as currently conducted;</li> <li>(b) the Consent Solicitation and the passing of Extraordinary Resolution No. 1 of all Series of Securities; and</li> <li>(c) the passing of the Shareholders’ Extraordinary Resolution(s).</li> </ul>
<b>Refinancing Bonds Agency Agreement</b> .....	The agency agreement to be executed by the Issuer, the Refinancing Bonds Principal Paying Agent, the Refinancing Bonds Registrar and the Refinancing Bonds Trustee relating to the Refinancing Bonds.
<b>Refinancing Bonds Trust Deed</b> .....	The trust deed to be executed by the Issuer and the Refinancing Bonds Trustee relating to and constituting the Refinancing Bonds.
<b>Refinancing Bonds Trustee</b> .....	DBS Trustee Limited.
<b>Refinancing Series A Non-Convertible Bonds</b> .....	The Series A 0.25% Non-Convertible Bonds Due 2024 to be issued by the Issuer.
<b>Refinancing Series B Convertible Bonds</b> .....	The Series B 0.25% Convertible Bonds Due 2023 to be issued by the Issuer which are convertible into Shares.
<b>Refinancing Series C Non-Convertible Bonds</b> .....	The Series C 0.25% Non-Convertible Bonds Due 2027 to be issued by the Issuer.
<b>Refinancing Redemption Amount</b> .....	S\$250,000 for each S\$250,000 in Specified Denomination of Securities redeemed, payable wholly in the form of S\$250,000 in principal amount of Refinancing Series A Non-

Convertible Bonds or Refinancing Series B Convertible Bonds (in the case of a Series of Securities other than the Series 008 Securities) or Refinancing Series C Non-Convertible Bonds (in the case of the Series 008 Securities), in each case that have an issue price of 100% of its principal amount.

**Securityholders of each Series of Securities (other than the Series 008 Securities) must elect in the Voting Instruction Form whether to receive Refinancing Series A Non-Convertible Bonds or Refinancing Series B Convertible Bonds.**

**Securityholders of the Series 008 Securities must elect whether to receive Refinancing Series C Non-Convertible Bonds or continue to hold the proposed amended Series 008 Securities.**

**If a Securityholder does not so elect prior to the Expiration Time or, if there is an adjourned Meeting, the Adjournment Instruction Deadline, such Securityholder will receive (if the Proposal becomes effective) Refinancing Series B Convertible Bonds (in the case of a Securityholder of a Series of Securities other than the Series 008 Securities) or be deemed to agree to continue to hold the proposed amended Series 008 Securities (in the case of a Securityholder of the Series 008 Securities).**

**Refinancing Redemption Option.....** If the Extraordinary Resolution No. 1 of the relevant Series of Securities (other than the Series 008 Securities) is passed at the relevant Meeting, the option granted to the Issuer to redeem all (but not some only) of the relevant Series (other than the Series 008 Securities), at its option, by giving no fewer than five days' notice, on any date falling on or prior to 30 days after the Shareholders' Extraordinary Resolution(s) are passed, at the Refinancing Redemption Amount.

**REPS.....** The 300 redeemable exchangeable preference shares issued by a subsidiary of the Issuer and convertible into Shares.

**Securityholders .....** The holders of the Securities and includes (i) Direct Participants and (ii) Beneficial Owners, in each case who are permitted under the laws of their jurisdiction of residence and domicile to participate in the Consent Solicitation, except that for the purpose of (1) the submission of Voting Instruction Forms, to the extent that a Beneficial Owner of the Securities is not a Direct Participant, such Voting Instruction Forms may only be submitted by a Direct Participant on behalf of such Beneficial Owner and (2) the payment of any Consent Fee, to the extent that the Beneficial Owner is not a Direct Participant, such Consent Fee will only be paid to the relevant Direct Participant and such payment to the relevant Direct Participant will satisfy the Issuer's obligations in respect of the payment of the Consent Fee.

<b>Series 009 Securities .....</b>	Series 009 S\$120,000,000 3.65% Committed Funding Backed Notes due 2020 (ISIN: SG6YH5000005).
<b>Series of Refinancing Bonds .....</b>	Shall have the meaning ascribed to the term “ <b>Series</b> ” in the Refinancing Bonds Trust Deed.
<b>Series of Securities .....</b>	Shall have the meaning ascribed to the term “ <b>Series</b> ” in the MTN Trust Deed.
<b>Settlement Conditions .....</b>	Shall have the meaning ascribed to it in the section of this Consent Solicitation Statement entitled “The Proposal—Consent Fees”.
<b>SGX-ST.....</b>	Singapore Exchange Securities Trading Limited.
<b>Shares .....</b>	Ordinary shares in the issued share capital of the Issuer.
<b>Shareholders .....</b>	The registered holders of the Shares, except that where the registered holder of any Shares is CDP, the term “ <b>Shareholders</b> ” shall, in relation to such Shares and where the context so admits, mean Depositors whose direct securities accounts are credited with those Shares.
<b>Shareholders’ Extraordinary Resolution(s) .....</b>	The one or more extraordinary resolutions to be put to the Shareholders at the Shareholders’ Meeting to approve, <i>inter alia</i> , the issuance of the Refinancing Series B Convertible Bonds, the application of the conversion provisions proposed to be made applicable to the Series 008 Securities, the Warrants (2018-Shareholders), the Warrants (2018-Securityholders), the Warrants (2018-Lenders) and the Shares to be issued upon conversion of the Refinancing Series B Convertible Bonds, the Series 008 Securities, the Warrants (2018-Shareholders), the Warrants (2018-Securityholders) and the Warrants (2018-Lenders), or Shares issued in lieu of Interest Notes or Distribution Notes.
<b>Shareholders’ Meeting .....</b>	The extraordinary general meeting of Shareholders to be scheduled to take place after the conclusion of the Consent Solicitation to consider and vote on the Shareholders’ Extraordinary Resolution(s), or any adjourned meeting to consider and vote on the Shareholders’ Extraordinary Resolution(s).
<b>Supplemental Trust Deed.....</b>	The supplemental trust deed relating to each relevant Series of Securities which, if the Extraordinary Resolution of such relevant Series of Securities is duly passed, will be entered into between the Issuer and the MTN Trustee to amend the Conditions of the relevant Series of Securities and the MTN Trust Deed in connection with the Proposal.
<b>Transaction Documents .....</b>	The Supplemental Trust Deed and the Issue Documents (as defined in the MTN Trust Deed), in each case, in respect of the relevant Series of Securities.
<b>Voting Certificate .....</b>	A document issued by the Meeting Agent relating to the specified relevant Series of Securities (other than the Series

008 Securities) entitling the bearer of such document to cast the votes relating to such Series of Securities (other than the Series 008 Securities) in a particular way at the Meeting in accordance with the MTN Trust Deed.

**Voting Instruction**..... The voting instruction delivered by a Direct Participant instructing the Meeting Agent that the vote(s) attributable to the relevant Series of Securities that are the subject of such Voting Instruction should be cast in a particular way (either in favour or against) in relation to the relevant Extraordinary Resolution.

**Voting Instruction Form** ..... The voting instruction form (the form of which is as set out in “*Form of Voting Instruction Form*” as contained in Appendix B) completed and signed by a Direct Participant to instruct the Meeting Agent to (1) either issue a Voting Certificate, appoint a proxy or to comply with the Voting Instructions, as the case may be, and (2) to elect whether to receive Refinancing Series A Non-Convertible Bonds or Refinancing Series B Convertible Bonds (in the case of a Series of Securities other than the Series 008 Securities) or whether to receive Refinancing Series C Non-Convertible Bonds or continue to hold the proposed amended Series 008 Securities (in the case of Series 008 Securities).

**Warrants (2016)**..... The 355,099,387 bonus warrants issued by the Issuer to its shareholders and constituted by a deed poll date 13 April 2016 executed by the Issuer.

**Warrants (2018-Lenders)** ..... The warrants proposed to be issued by the Issuer to one or more secured lenders who elect to charge interest at a fixed rate, subject to the passing of the Shareholders’ Extraordinary Resolution(s) to be proposed to the Issuer’s shareholders at the Shareholders’ Meeting.

**Warrants (2018-Securityholders)**..... The up to 575,000,000 warrants proposed to be issued by the Issuer free to holders of the Refinancing Series B Convertible Bonds and holders of the proposed amended Series 008 Securities who exercise the Conversion Right with respect to each S\$50,000 in principal amount of such securities (1) on or prior to the date that is 60 days after the issue date of the Refinancing Series B Convertible Bonds or the effective date of the amendments to the Series 008 Securities, as the case may be, (in which case 50,000 warrants will be issued) or (2) after 60 days but on or prior to six months after such issue date or effective date (in which case 25,000 warrants will be issued), in each case subject to the passing of the extraordinary resolutions to be proposed to the Issuer’s shareholders at the Shareholders’ Meeting.

**Warrants (2018-Shareholders)** ..... The up to 1,244,306,043 warrants proposed to be issued by the Issuer to its Shareholders, subject to the passing of the extraordinary resolutions to be proposed to the Issuer’s shareholders at the Shareholders’ Meeting.



**S\$**..... Singapore dollars, being the lawful currency of Singapore.

**US\$**..... United States dollars, being the lawful currency of the United States of America.

References in this Consent Solicitation Statement to each of the terms defined herein should be construed, unless the context otherwise requires, so as to apply separately to each Series of Securities and each Series of Refinancing Bonds; and each reference to a Meeting or Extraordinary Resolution or the Consent Solicitation in conjunction with the terms “Securities” or “Securityholders” shall be construed as references to the Meeting in relation to a particular Series of Securities, the Extraordinary Resolution to be proposed at that Meeting, the Consent Solicitation as it applies to that Series of Securities, and the Securities or Securityholders of that Series of Securities and vice versa.

**Summary of the Proposal**

The following summary is derived from, and should be read in conjunction with, the section of the Consent Solicitation Statements entitled “The Proposal—Terms of the Proposal”.

**The Proposal** ..... For all Series of Securities, to seek approval for:

**Extraordinary Resolution No.1**

- amend the terms and conditions of the Securities (see below); and
- grant certain waivers to the Issuer (see below).

For all Series of Securities other than the Series 008 Securities, IF Extraordinary Resolution No. 1 is not passed for that relevant Series of Securities, to seek approval for:

**Extraordinary Resolution No.2**

- amend the terms and conditions of the Securities (see below); and
- grant certain waivers to the Issuer (see below).

For the avoidance of doubt, there is no Extraordinary Resolution No. 2 for Series 008 Securities.

**Amendments to the Series 003 Securities, Series 004 Securities, Series 005 Securities, Series 006 Securities and Series 007 Securities (Extraordinary Resolution No. 1).....**

**Existing Terms**

**Rate of Interest and Interest Payment Dates**

- Series 003 Securities - 4.7% per annum from and including 22 May 2017 to but excluding 22 November 2017, and for each six month period thereafter on each Interest Payment Date;
- Series 004 Securities - 4.6% per annum from and including 20 August 2017 to but excluding 20 February 2018, and for each six month period thereafter on each Interest Payment Date;
- Series 005 Securities - 4.85% per annum from and including 23 July 2017 to but excluding 23 January 2018, and for each six month period thereafter on each Interest Payment Date;
- Series 006 Securities - 5.1% per annum from and including 13 September 2017 to but excluding 13 March 2018, and for each six month period thereafter on each Interest Payment Date; and
- Series 007 Securities - 4.875%

**Proposed Amended Terms**

**Rate of Interest and Interest Payment Dates**

- Series 003 Securities - 4.7% per annum from and including 22 May 2017 to but excluding the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed;
- Series 004 Securities - 4.6% per annum from and including 20 August 2017 to but excluding the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed;
- Series 005 Securities - 4.85% per annum from and including 23 July 2017 to but excluding the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed;
- Series 006 Securities - 5.1% per annum from and including 13 September 2017 to but excluding the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed; and
- Series 007 Securities - 4.875%

per annum from and including 11 June 2017 to but excluding 11 December 2017 and from and including 11 December 2017 to but excluding 11 June 2018, increasing to 6.875% per annum if not called on 11 June 2018, from and including 11 June 2018 to but excluding 11 December 2018 and for each six month period thereafter on each Interest Payment Date,

in each case, up to but excluding the relevant maturity date.

The above interest is payable in cash on each Interest Payment Date.

per annum from and including 11 June 2017 to but excluding the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed,

in all the above cases, no interest<sup>1</sup> shall accrue after the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed. For the avoidance of doubt, there will be no increase of the interest rate to 6.875% per annum in relation to the Series 007 Securities.

The above interest is payable in the form of Interest Notes (if Securityholders elect to receive Refinancing Series A Non-Convertible Bonds) and Shares (if Securityholders elect to receive Refinancing Series B Convertible Bonds), on the issue date of the Refinancing Series A Non-Convertible Bonds and the issue date of the Refinancing Series B Convertible Bonds, respectively.

If Shareholders do not approve the Shareholders' Extraordinary Resolution(s) on or before 31 March 2018, the original Rate of Interest, Interest Payment Dates and form of payment of interest as described in the column to the left shall continue to apply, provided that where an Interest Payment Date as mentioned in the column to the left occurs on or prior to 31 March 2018, it shall not be an Event of Default or a Potential Event of Default if the Issuer pays the amount of interest that is due and payable on such Interest Payment Date within 30 days of the earlier of the Shareholders' Meeting or 31 March 2018.

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<sup>1</sup> While no interest will accrue from and including the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed on the relevant Series of Securities, Securityholders will receive 0.25% per annum under the Refinancing Series A Non-Convertible Bonds or the Refinancing Series B Convertible Bonds, as the case may be, from and including the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed, provided that Shareholders approve the Shareholders' Extraordinary Resolution(s), payable semi-annually on the same day and month as, and the same day but six calendar months after, the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed, in each year.

See “Illustrations – Illustration 4: Accrual of Interest” for an illustration of how the proposed accrual of such interest applies.

#### Financial Covenants

- Financial covenants specified in Clause 5.2 of the MTN Trust Deed and Condition 4(b) of the relevant Series of Securities apply.

#### Negative Pledge

- The negative pledge specified in Clause 5.1 of the MTN Trust Deed and Condition 4(a) of the relevant Series of Securities applies.

#### Financial Covenants

- Financial covenants specified in Clause 5.2 of the MTN Trust Deed and Condition 4(b) of the relevant Series of Securities will be deleted and no longer apply.

#### Negative Pledge

- The negative pledge specified in Clause 5.1 of the MTN Trust Deed and Condition 4(a) of the relevant Series of Securities will be amended to insert an additional exception allowing the Issuer and its Subsidiaries to grant any security in connection with the transactions contemplated by the Refinancing.

#### Additional Redemption Option

- A new redemption option for the Issuer to redeem all of the relevant Series of Securities to be payable by issuing an equivalent principal amount of Refinancing Series B Convertible Bonds (“**Option B**”) unless Securityholders elect to receive Refinancing Series A Non-Convertible Bonds (“**Option A**”).
- Securityholders (or if the holder is a Beneficial Owner, the Beneficial Owner must instruct the nominee holding the relevant Series of Securities on the Beneficial Owner’s behalf) to make the election which bonds to receive in the Voting Instruction Form.
- If no election is made, Option B shall apply and a Securityholder will receive Refinancing Series B Convertible Bonds.
- See “Illustrations – Illustration 1:

Alternatives for Options Available to Securityholders” for an illustration of the options available to Securityholders.

**Amendments to the Series 008 Securities .....**

**Existing Terms**

Distribution Rate; Distribution Payment Dates and Deferral of Distributions

- Series 008 Securities - 7.0% per annum, from and including 19 November 2017 to but excluding 19 May 2018 and for each six month period thereafter on each Distribution Payment Date.
  
- Distribution Rate is subject to reset every six months from 19 November 2018 to the Swap Offer Rate plus the Initial Spread of 5.54% and the Step-Up Margin of 3.00% per annum.
  
- The above distribution and any Arrears of Distribution (and any Additional Distribution Amount)

**Proposed Amended Terms**

Distribution Rate; Distribution Payment Dates and Deferral of Distributions

- Series 008 Securities - 7.0% per annum, from and including 19 November 2017 to but excluding the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed. Thereafter, the Distribution Rate shall be 0.25% per annum from and including the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed to but excluding the Step-Up Date, payable semi-annually on the same day and month as, and the same day but six calendar months after, the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed, in each year.
  
- Distribution Rate is subject to reset every year from the Step-Up Date to 1.25% per annum with respect to the Step-Up Date and shall increase from the Distribution Rate applicable on the immediately preceding Reset Date (or, in relation to the Reset Date immediately after the Step-Up Date, the Step-Up Date) by 1.00% per annum on each immediately succeeding Reset Date falling thereafter.
  
- “**Step-Up Date**” means the date that is seven years after the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed.
  
- Distribution Rate is subject to a reset on the Step-Up Date and

are payable in the form of cash.

each Reset Date falling thereafter, payable semi-annually beginning six calendar months after the Step-Up Date.

- The above distribution from and including 19 November 2017 to but excluding the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed and any Arrears of Distribution (and any Additional Distribution Amount) are payable in the form of Distribution Notes (if Securityholders elect to receive Refinancing Series C Non-Convertible Bonds) and Shares (if Securityholders elect to continue to hold the amended Series 008 Securities), on the issue date of the Refinancing Series C Non-Convertible Bonds or on the date the conversion feature as described below becomes effective, respectively.

If Shareholders do not approve the Shareholders' Extraordinary Resolution(s) on or before 31 March 2018, the original Distribution Rate, Distribution Payment Dates, and form of payment of distribution and Arrears of Distribution (and any Additional Distribution Amount) as described in the column to the left shall continue to apply, provided that where a Distribution Payment Date as mentioned in the column to the left occurs on or prior to 31 March 2018, it shall not be a non-payment under Condition 9(a), a failure to make payment under Condition 9(b), nor give rise to a right to institute proceedings or take any action against the Issuer under Conditions 9(c), 9(d) and 9(e) of the Series 008 Securities if the Issuer pays the amount of distribution that is due and payable on such Distribution Payment Date or any Arrears of Distribution (and any Additional Distribution Amount) within 30 days of the earlier of the

Shareholders' Meeting or 31 March 2018.

Specified Denomination, Calculation Amount and Early Redemption Amount

- Specified Denomination – S\$250,000
- Calculation Amount – S\$250,000
- Early Redemption Amount(s) per Calculation Amount – S\$250,000

Conversion

- Conversion provisions in Condition 4(k) – Not applicable.

Specified Denomination, Calculation Amount and Early Redemption Amount

- Specified Denomination – S\$50,000
- Calculation Amount – S\$50,000
- Early Redemption Amount(s) per Calculation Amount – S\$50,000

Conversion

- Conversion provisions in Condition 4(k) – To be made effective on the effective date of the amendments to the Series 008 Securities, with appropriate amendments to Condition 4(k) so that the conversion provisions relating to the Refinancing Series B Convertible Bonds are also reflected in Condition 4(k) with the appropriate amendments other than the Expiration Date, which (in the case of the Series 008 Securities) shall be on the date that is four years from the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed.

Additional Redemption Option

- On the effective date of the amendments to the Series 008 Securities, a Securityholder of Series 008 Securities will, unless such Securityholder elects to receive an equivalent principal amount of Refinancing Series C Non-Convertible Bonds (“**Option C**”), continue to hold the amended Series 008 Securities (“**Option D**”).
- If Option C is elected, the Issuer shall redeem the Series 008 Securities of such holder on or before the effective date of the

amendments to the Series 008 Securities at the Refinancing Redemption Amount payable in the form of Refinancing Series C Non-Convertible Bonds.

- Securityholders (or if the holder is a Beneficial Owner, the Beneficial Owner must instruct the nominee holding the relevant Series 008 Securities on the Beneficial Owner’s behalf) to make the election whether to receive Refinancing Series C Non-Convertible Bonds in the Voting Instruction Form.
- If no election is made, Option D shall apply and a Securityholder will continue to hold the amended Series 008 Securities.
- See “Illustrations – Illustration 1: Alternatives for Options Available to Securityholders” for an illustration of the options available to Securityholders.

**Waivers to be Granted Series 003 Securities Series 004 Securities Series 005 Securities Series 006 Securities and Series 007 Securities (Extraordinary Resolution No. 1).....**

- Waiver of the non-payment of any and all interest on such Series of Securities (other than the interest described as payable above) that was or would be due and payable on all relevant Interest Payment Dates, as the case may be, that occurred or will occur on or after the Interest Payment Date immediately preceding the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed, and the occurrence of any Event of Default (as defined in the MTN Trust Deed) or, as the case may be, Potential Event of Default (as defined in the MTN Trust Deed) as a result of any such non-payment of the interest on such Series of Securities that was or would be due and payable on all such Interest Payment Dates;
- Waiver of any requirement, covenant and term in the MTN Trust Deed and the relevant Series of Securities that would be breached as a result of or arising in connection with the Refinancing and the transactions contemplated thereby and the waiver of the occurrence of any Event of Default or, as the case may be, Potential Event of Default that may have occurred or may occur in connection with the Refinancing and the transactions contemplated thereby;
- Waiver of any requirement, covenant and term in the MTN Trust Deed and the relevant Series of Securities that would be breached as a result of any non-compliance with Clause 5.2 of the MTN Trust Deed and Condition 4(b) of the relevant Series of Securities and the waiver of the occurrence of any Event of Default (as defined in the MTN Trust Deed) or, as the case may be, Potential Event of Default (as defined in the MTN Trust Deed) that may have occurred or may occur in connection with any



existing or future non-compliance with the financial covenants contained in Clause 5.2 of the MTN Trust Deed and Condition 4(b) of the relevant Series of Securities; and

- Waiver of any requirement, covenant and term in the MTN Trust Deed and the relevant Series of Securities which would be breached and of any Event of Default or, as the case may be, Potential Event of Default that may have occurred or may occur as a result of or arising in connection with the grant of security in connection with the transactions contemplated by the Refinancing as described in “Amendments to the Series 003 Securities, Series 004 Securities, Series 005 Securities, Series 006 Securities and Series 007 Securities (Extraordinary Resolution No. 1)” above.
- Waiver of the non-payment of any and all distribution (other than the distribution described as payable in “Amendments to the Series 008 Securities” above) that was or would be due and payable on all relevant Distribution Payment Dates, as the case may be, that occurred or will occur on or after the Distribution Payment Date immediately preceding the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed, and the agreement that any such non-payment shall not constitute a non-payment under Condition 9(a), a failure to make payment under Condition 9(b), nor give rise to a right to institute proceedings or take any action against the Issuer under Conditions 9(c), 9(d) and 9(e) of the Series 008 Securities.

**Waivers to be Granted Series 008 Securities (Extraordinary Resolution No. 1).....**

**Amendments to the: Series 003 Securities Series 004 Securities Series 005 Securities Series 006 Securities and Series 007 Securities (Extraordinary Resolution No. 2).....**

**Waivers to be Granted (Extraordinary Resolution No. 2).....**

**Existing Terms**

**Financial Covenants**

- Financial covenants specified in Clause 5.2 of the MTN Trust Deed and Condition 4(b) of the relevant Series of Securities apply.

**Negative Pledge**

- The negative pledge specified in Clause 5.1 of the MTN Trust Deed and Condition 4(a) of the relevant Series of Securities applies.

- Waiver of any requirement, covenant and term in the MTN Trust Deed and the relevant Series of Securities that would be breached as a result of or arising in connection with the Refinancing and the transactions contemplated thereby and the waiver of the occurrence of any Event of Default or, as the case may be, Potential Event of Default that may have occurred or may occur in connection with the Refinancing and the transactions contemplated thereby;
- Waiver of any requirement, covenant and term in the MTN Trust Deed and the relevant Series of Securities that would be breached as a result of any non-compliance with Clause 5.2 of the MTN Trust Deed and Condition 4(b) of the relevant Series of Securities and the waiver of the occurrence of any Event of Default (as defined in the MTN Trust Deed)

**Proposed Amended Terms**

**Financial Covenants**

- Financial covenants specified in Clause 5.2 of the MTN Trust Deed and Condition 4(b) of the relevant Series of Securities will be deleted and no longer apply.

**Negative Pledge**

- The negative pledge specified in Clause 5.1 of the MTN Trust Deed and Condition 4(a) of the relevant Series of Securities will be deleted and no longer apply.

or, as the case may be, Potential Event of Default (as defined in the MTN Trust Deed) that may have occurred or may occur in connection with any existing or future non-compliance with the financial covenants contained in Clause 5.2 of the MTN Trust Deed and Condition 4(b) of the relevant Series of Securities; and

- Waiver of any requirement, covenant and term in the MTN Trust Deed and the relevant Series of Securities which would be breached and of any Event of Default or, as the case may be, Potential Event of Default that may have occurred or may occur as a result of or arising in connection with the grant of security as described in “Amendments to the Series 003 Securities, Series 004 Securities, Series 005 Securities, Series 006 Securities and Series 007 Securities (Extraordinary Resolution No. 1)” above.

## Summary of the Terms and Conditions of the Refinancing Series A Non-Convertible Bonds

The following summary is derived from, and should be read in conjunction with, the full text of this Consent Solicitation Statement, the full terms and conditions of the Refinancing Series A Non-Convertible Bonds, the Refinancing Bonds Trust Deed and the Refinancing Bonds Agency Agreement.

- Issuer : Ezion Holdings Limited.
- Issue : The Refinancing Series A 0.25 per cent. Non-Convertible Bonds due 2024.
- Issue Price : 100 per cent. of their principal amount.
- Issue Date : No later than 30 days after the Shareholders' Extraordinary Resolution(s) are passed.
- Maturity Date : The date that is seven years from the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed (the "**Series A Maturity Date**").
- Status : The Refinancing Series A Non-Convertible Bonds will be direct, unsubordinated, unconditional and unsecured obligations of the Issuer and will rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Refinancing Series A Non-Convertible Bonds will, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unsubordinated and unsecured obligations.
- Interest : The Refinancing Series A Non-Convertible Bonds will bear interest on its outstanding principal amount from the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed at the rate of 0.25 per cent. per annum (the "**Interest Rate**"), such interest payable semi-annually in arrear on each interest payment date. The first interest payment date shall occur on the date that is six calendar months after the first Extraordinary Resolution No. 1 of any Series of Securities is passed (the "**First Interest Payment Date**") and each subsequent interest payment date shall occur on the same day and month as, and the same day but six calendar months after the month of, the First Interest Payment Date, as the case may be, commencing on the interest payment date immediately after the First Interest Payment Date (each, an "**Interest Payment Date**").

The amount of interest payable with respect to each S\$50,000 in principal amount of the Refinancing Series A Non-Convertible Bonds on each Interest Payment Date shall be the product of the Interest Rate, S\$50,000 and the Day Count Fraction (as defined in the Conditions of the Refinancing Bonds) for the period from and including the immediately preceding Interest Payment Date (or, in relation to the First Interest Payment Date, the date the first Extraordinary Resolution No. 1 of any Series of Securities is passed) to but excluding the next Interest Payment Date.

Unless previously redeemed, the Refinancing Series A Non-

Convertible Bonds will cease to bear interest on the Series A Maturity Date, save for any amount payable in accordance with the Conditions of the Refinancing Bonds.

Redemption At Maturity : Unless previously redeemed or purchased and cancelled, the Issuer will redeem the Refinancing Series A Non-Convertible Bonds on the Series A Maturity Date at the Redemption Amount.

“**Redemption Amount**” means the outstanding principal amount of the Refinancing Series A Non-Convertible Bonds to be redeemed multiplied by the sum of 106.0 per cent. and any Additional Premium; and

“**Additional Premium**” (expressed as a percentage) shall be calculated on the 15th day immediately prior to the relevant redemption date (the “**Premium Determination Date**”) based on the following:

$$\text{Additional Premium (\%)} = \frac{(A - B)}{B} \times 6.0$$

Where:

A = the volume weighted average price of a Share for the 30-day period (“**30VWAP**”) before the Premium Determination Date;

B = the higher of the 30VWAP after the issue date of the Refinancing Series A Non-Convertible Bonds and S\$0.2763,

in each case subject to adjustment upon the occurrence of certain events, such as bonus issues, rights issues, and consolidation or subdivision of Shares, provided that if the Additional Premium as calculated in accordance with the above formula is less than zero, then the Additional Premium applicable shall be zero.

See “Illustrations – Illustration 6: Additional Premium Calculation” for an illustration as to how the Additional Premium is to be calculated.

Redemption at the Option of the Issuer : At any time after the date that is five years after the date the first Extraordinary Resolution No. 1 of any Series of Securities is passed the Issuer may, having given not less than 30 nor more than 60 days’ notice to the holders of Refinancing Series A Non-Convertible Bonds (which notice shall be irrevocable) redeem all, and not some only, of the Refinancing Series A Non-Convertible Bonds at the Redemption Amount plus interest accrued, if any, to but excluding the date fixed for redemption.

Redemption For Taxation Reasons : At any time the Issuer may, having given not less than 30 nor more than 60 days’ notice to the holders of Refinancing Series A Non-Convertible Bonds (which notice shall be irrevocable) redeem all, and not some only, of the Refinancing Series A Non-Convertible Bonds at the Redemption Amount plus interest accrued, if any, to but excluding the date fixed for redemption, if as a result of certain events the Issuer has or will become obliged to pay additional amounts pursuant to deduction or withholding for or on account of

any taxes, or the payment of such additional amounts is increased.

Redemption At The Option Of Holders Of Refinancing Series A Non-Convertible Bonds For Delisting		If the Shares cease to be listed or admitted to trading on the SGX-ST, the Issuer shall, at the option of the holders of Refinancing Series A Non-Convertible Bonds, redeem such Refinancing Series A Non-Convertible Bonds at the Redemption Amount plus interest accrued, if any, to but excluding the date fixed for redemption, being the date falling 30 days after the Shares cease to be listed or admitted to trading.
Form And Denomination Of The Refinancing Series A Non-Convertible Bonds	:	The Refinancing Series A Non-Convertible Bonds will be issued in registered form in the denomination of S\$50,000 and integral multiples of S\$50,000 in excess thereof.
Further Issues	:	The Issuer may from time to time without the consent of the holders of Refinancing Series A Non-Convertible Bonds create and issue further securities having the same terms and conditions as the Refinancing Series A Non-Convertible Bonds in all respects (other than in relation to the issue date or the issue price) so that such further issues shall be consolidated and form a single series with the outstanding Refinancing Series A Non-Convertible Bonds.
Governing Law	:	Singapore law.
Listing	:	Application will be made for the listing of the Refinancing Series A Non-Convertible Bonds on the SGX-ST. The Refinancing Series A Non-Convertible Bonds will be traded on the SGX-ST in a minimum board lot size of S\$200,000 for so long as the Refinancing Series A Non-Convertible Bonds are listed on the SGX-ST.
Clearance and Settlement	:	The Refinancing Series A Non-Convertible Bonds will be represented by one or more Global Certificates, each deposited on or about the relevant issue date with, and registered in the name of, CDP.

## Summary of the Terms and Conditions of the Refinancing Series B Convertible Bonds

The following summary is derived from, and should be read in conjunction with, the full text of this Consent Solicitation Statement, the full terms and conditions of the Refinancing Series B Convertible Bonds, the Refinancing Bonds Trust Deed and the Refinancing Bonds Agency Agreement.

- Issuer : Ezion Holdings Limited.
- Issue : The Refinancing Series B 0.25 per cent. Convertible Bonds due 2023 convertible into Shares.
- Issue Price : 100 per cent. of their principal amount.
- Issue Date : No later than 30 days after the Shareholders' Extraordinary Resolution(s) are passed.
- Maturity Date : The date that is six years from the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed (the "**Series B Maturity Date**").
- Status : The Refinancing Series B Convertible Bonds will be direct, unsubordinated, unconditional and unsecured obligations of the Issuer and will rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Refinancing Series B Convertible Bonds will, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unsubordinated and unsecured obligations.
- Interest : The Refinancing Series B Convertible Bonds will bear interest on its outstanding principal amount from the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed at the rate of 0.25 per cent. per annum (the "**Interest Rate**"), such interest payable semi-annually in arrear on each interest payment date. The first interest payment date shall occur on the date that is six calendar months after the first Extraordinary Resolution No. 1 of any Series of Securities is passed (the "**First Interest Payment Date**") and each subsequent interest payment date shall occur on the same day and month as, and the same day but six calendar months after the month of, the First Interest Payment Date, as the case may be, commencing on the interest payment date immediately after the First Interest Payment Date (each, an "**Interest Payment Date**").

The amount of interest payable with respect to each S\$50,000 in principal amount of the Refinancing Series B Convertible Bonds on each Interest Payment Date shall be the product of the Interest Rate, S\$50,000 and the Day Count Fraction (as defined in the Conditions of the Refinancing Bonds) for the period from and including the immediately preceding Interest Payment Date (or, in relation to the First Interest Payment Date, the date the first Extraordinary Resolution No. 1 of any Series of Securities is passed) to but excluding the next Interest Payment Date.

Unless previously converted or redeemed, the Refinancing Series B Convertible Bonds will cease to bear interest on the Series B

Maturity Date, save for any amount payable in accordance with the Conditions of the Refinancing Bonds.

Notwithstanding the above, the Refinancing Series B Convertible Bonds will cease to bear interest where the Conversion Right attached to it shall have been exercised, from and including the interest payment date last preceding its conversion date (or if such conversion date falls on or before the first interest payment date, the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed) subject to conversion of the relevant Refinancing Series B Convertible Bonds.

See “Illustrations – Illustration 2: Interest/Distribution When Conversion Right Exercised”.

Conversion Right : Subject to certain conditions, each holder of the Refinancing Series B Convertible Bonds (the “**Series B Bondholder**”) will have the right during the Conversion Period to convert its Refinancing Series B Convertible Bonds into Shares. A Conversion Right may only be exercised in respect of Refinancing Series B Convertible Bonds in a minimum denomination of S\$50,000 and integral multiples of S\$50,000 in excess thereof.

Conversion Period : Subject to certain closed conversion periods, at any time after the date of issue of the Refinancing Series B Convertible Bonds up to the close of business on the date that is five years from the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed (the “**Expiration Date**”) or, if such Refinancing Series B Convertible Bonds shall been called for redemption prior to the Expiration Date, then up to the close of business on a date no later than seven Business Days prior to the date fixed for redemption thereof.

Conversion Price : The price at which Shares will be issued upon conversion (the “**Conversion Price**”) of the Refinancing Series B Convertible Bonds will initially be S\$0.2763 per Share (which represents a 10.0 per cent. discount to the six-month volume weighted average price of a Share the day before trading in the Shares were halted and thereafter suspended), subject to adjustment in the manner provided in the Conditions of the Refinancing Bonds (the initial Conversion Price as so adjusted from time to time, the “**Minimum Conversion Price**”).

However, solely where the Conversion Right is exercised on or prior to 60 days after the issue date, the Conversion Price shall be S\$0.2487 per Share (which represents a 10.0 per cent. discount to the Minimum Conversion Price) (the “**Discounted Conversion Price**”).

The Conversion Price shall be reset every six months (each, a “**Conversion Price Reset Date**”) by the Issuer beginning on the date that is six months after the issue date of the Refinancing Series B Convertible Bonds to a price that represents the six-month volume weighted average price of the Shares prior to each Conversion Price Reset Date, rounded down to the nearest S\$0.0001, provided that if such a price is lower than the Minimum Conversion Price, the

Conversion Price shall be the Minimum Conversion Price.

See “Illustrations – Illustration 3: Number of Shares Received Upon Exercise of Conversion Rights”.

Warrants (2018-Securityholders) : If a Series B Bondholder exercises its Conversion Right with respect to S\$50,000 in principal amount of Refinancing Series B Convertible Bonds and each S\$50,000 in principal amount in excess thereof on or prior to the date that is 60 days after the issue date, the Issuer shall, at the same time that it delivers Shares to be issued upon the exercise of such Conversion Right, also issue to such Securityholder 50,000 Warrants (2018-Securityholders) for every S\$50,000 principal amount of Refinancing Series B Convertible Bonds so converted. If such conversion occurs after 60 days but on or prior to the date that is six months after such issue date, the Issuer will issue 25,000 Warrants (2018-Securityholders) for every S\$50,000 principal amount of Refinancing Series B Convertible Bonds so converted. See “Summary of the Terms and Conditions of the Warrants (2018-Securityholders)” for a summary of the terms and conditions of the Warrants (2018-Securityholders).

For the avoidance of doubt, a Series B Bondholder who exercises its Conversion Right after such periods will not be eligible to receive any Warrants (2018-Securityholders).

See “Illustrations – Illustration 7: Conversion Pricing and Bonus Warrants” and “Illustrations – Illustration 8: Bonus Warrants Calculation” for illustrations of how many Warrants (2018-Securityholders) will be issued under the various scenarios and how many Shares a holder may receive upon exercise of such warrants.

Redemption At Maturity : Unless previously redeemed, converted or purchased and cancelled, the Issuer will redeem the Refinancing Series B Convertible Bonds on the Series B Maturity Date at 100.0 per cent. of their principal amount.

Redemption At The Option Of The Issuer : The Issuer may, having given not less than 30 nor more than 60 days’ notice to the Series B Bondholders (which notice shall be irrevocable) redeem all, and not some only, of the Refinancing Series B Convertible Bonds at 100.0 per cent. of their principal amount plus interest accrued, if any, to but excluding the date for redemption if at any time the aggregate principal amount of the Refinancing Series B Convertible Bonds outstanding is less than 10.0 per cent. of the aggregate principal amount of the Refinancing Series B Convertible Bonds originally issued.

Redemption For Taxation Reasons : At any time the Issuer may, having given not less than 30 nor more than 60 days’ notice to the Series B Bondholders (which notice shall be irrevocable) redeem all, and not some only, of the Refinancing Series B Convertible Bonds at 100.0 per cent. of their principal amount plus interest accrued, if any, to but excluding the date fixed for redemption, if as a result of certain events the Issuer has or will become obliged to pay additional amounts pursuant to deduction or withholding for or on account of any taxes, or the payment of such



additional amounts is increased.

Redemption At The Option Of Holders Of Refinancing Series B Convertible Bonds For Delisting	If the Shares cease to be listed or admitted to trading on the SGX-ST, the Issuer shall, at the option of the Series B Bondholders, redeem such Refinancing Series B Convertible Bonds at 100.0 per cent. of their principal amount plus interest accrued, if any, to but excluding the date fixed for redemption, being the date falling 30 days after the Shares cease to be listed or admitted to trading.
Form And Denomination Of The Refinancing Series B Convertible Bonds	: The Refinancing Series B Convertible Bonds will be issued in registered form in the denomination of S\$50,000 and integral multiples of S\$50,000 in excess thereof.
Further Issues	: The Issuer may from time to time without the consent of the Series B Bondholders create and issue further securities having the same terms and conditions as the Refinancing Series B Convertible Bonds in all respects (other than in relation to the issue date or the issue price) so that such further issues shall be consolidated and form a single series with the outstanding Refinancing Series B Convertible Bonds.
Governing Law	: Singapore law.
Listing	: Application will be made for the listing of the Refinancing Series B Convertible Bonds on the SGX-ST. The Refinancing Series B Convertible Bonds will be traded on the SGX-ST in a minimum board lot size of S\$200,000 for so long as the Refinancing Series B Convertible Bonds are listed on the SGX-ST. The Shares are listed on the SGX-ST and application will be made for the listing of the Shares issuable upon conversion of the Refinancing Series B Convertible Bonds to be listed on the SGX-ST.
Trading Market For The Shares	: The only trading market for the Shares is the SGX-ST. The Shares have been listed on the SGX-ST since 4 September 2000.
Clearance and Settlement	: The Refinancing Series B Convertible Bonds will be represented by one or more Global Certificates, each deposited on or about the relevant issue date with, and registered in the name of, CDP.

## Summary of the Terms and Conditions of the Refinancing Series C Non-Convertible Bonds

The following summary is derived from, and should be read in conjunction with, the full text of this Consent Solicitation Statement, the full terms and conditions of the Refinancing Series C Non-Convertible Bonds, the Refinancing Bonds Trust Deed and the Refinancing Bonds Agency Agreement.

- Issuer : Ezion Holdings Limited.
- Issue : The Refinancing Series C 0.25 per cent. Non-Convertible Bonds due 2027.
- Issue Price : 100 per cent. of their principal amount.
- Issue Date : No later than 30 days after the Shareholders' Extraordinary Resolution(s) are passed.
- Maturity Date : The date that is 10 years from the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed (the "**Series C Maturity Date**").
- Status : The Refinancing Series C Non-Convertible Bonds will be direct, unsubordinated, unconditional and unsecured obligations of the Issuer and will rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Refinancing Series C Non-Convertible Bonds will, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unsubordinated and unsecured obligations.
- Interest : The Refinancing Series C Non-Convertible Bonds will bear interest on its outstanding principal amount from the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed at the rate of 0.25 per cent. per annum (the "**Interest Rate**"), such interest payable semi-annually in arrear on each interest payment date. The first interest payment date shall occur on the date that is six calendar months after the first Extraordinary Resolution No. 1 of any Series of Securities is passed (the "**First Interest Payment Date**") and each subsequent interest payment date shall occur on the same day and month as, and the same day but six calendar months after the month of, the First Interest Payment Date, as the case may be, commencing on the interest payment date immediately after the First Interest Payment Date (each, an "**Interest Payment Date**").

The amount of interest payable with respect to each S\$50,000 in principal amount of the Refinancing Series C Non-Convertible Bonds on each Interest Payment Date shall be the product of the Interest Rate, S\$50,000 and the Day Count Fraction (as defined in the Conditions of the Refinancing Bonds) for the period from and including the immediately preceding Interest Payment Date (or, in relation to the First Interest Payment Date, the date the first Extraordinary Resolution No. 1 of any Series of Securities is passed) to but excluding the next Interest Payment Date.

Unless previously redeemed, the Refinancing Series C Non-

Convertible Bonds will cease to bear interest on the Series C Maturity Date, save for any amount payable in accordance with the Conditions of the Refinancing Bonds.

Redemption At Maturity : Unless previously redeemed or purchased and cancelled, the Issuer will redeem the Refinancing Series C Non-Convertible Bonds on the Series C Maturity Date at the Redemption Amount.

“**Redemption Amount**” means the outstanding principal amount of the Refinancing Series C Non-Convertible Bonds to be redeemed multiplied by the sum of 107.5 per cent. and any Additional Premium; and

“**Additional Premium**” (expressed as a percentage) shall be calculated on the 15th day immediately prior to the relevant redemption date (the “**Premium Determination Date**”) based on the following:

$$\text{Additional Premium (\%)} = \frac{(A - B)}{B} \times 7.5$$

Where:

A = the 30VWAP before the Premium Determination Date;

B = the higher of the 30VWAP after the issue date of the Refinancing Series C Non-Convertible Bonds and S\$0.2763,

in each case subject to adjustment upon the occurrence of certain events, such as bonus issues, rights issues, and consolidation or subdivision of Shares, provided that if the Additional Premium as calculated in accordance with the above formula is less than zero, then the Additional Premium applicable shall be zero.

See “Illustrations – Illustration 6: Additional Premium Calculation” for an illustration as to how the Additional Premium is to be calculated.

Redemption at the Option of the Issuer : At any time after the date that is five years after the date the first Extraordinary Resolution No. 1 of any Series of Securities is passed the Issuer may, having given not less than 30 nor more than 60 days’ notice to the holders of Refinancing Series C Non-Convertible Bonds (which notice shall be irrevocable) redeem all, and not some only, of the Refinancing Series C Non-Convertible Bonds at the Redemption Amount plus interest accrued, if any, to but excluding the date for redemption.

Redemption For Taxation Reasons : At any time the Issuer may, having given not less than 30 nor more than 60 days’ notice to the holders of Refinancing Series C Non-Convertible Bonds (which notice shall be irrevocable) redeem all, and not some only, of the Refinancing Series C Non-Convertible Bonds at the Redemption Amount plus interest accrued, if any, to but excluding the date fixed for redemption, if as a result of certain events the Issuer has or will become obliged to pay additional amounts pursuant to deduction or withholding for or on account of

any taxes, or the payment of such additional amounts is increased.

Redemption At The Option Of Holders Of Refinancing Series C Non-Convertible Bonds For Delisting		If the Shares cease to be listed or admitted to trading on the SGX-ST, the Issuer shall, at the option of the holders of Refinancing Series C Non-Convertible Bonds, redeem such Refinancing Series C Non-Convertible Bonds at the Redemption Amount plus interest accrued, if any, to but excluding the date fixed for redemption, being the date falling 30 days after the Shares cease to be listed or admitted to trading.
Form And Denomination Of The Refinancing Series C Non-Convertible Bonds	:	The Refinancing Series C Non-Convertible Bonds will be issued in registered form in the denomination of S\$50,000 and integral multiples of S\$50,000 in excess thereof.
Further Issues	:	The Issuer may from time to time without the consent of the holders of Refinancing Series C Non-Convertible Bonds create and issue further securities having the same terms and conditions as the Refinancing Series C Non-Convertible Bonds in all respects (other than in relation to the issue date or the issue price) so that such further issues shall be consolidated and form a single series with the outstanding Refinancing Series C Non-Convertible Bonds.
Governing Law	:	Singapore law.
Listing	:	Application will be made for the listing of the Refinancing Series C Non-Convertible Bonds on the SGX-ST. The Refinancing Series C Non-Convertible Bonds will be traded on the SGX-ST in a minimum board lot size of S\$200,000 for so long as the Refinancing Series C Non-Convertible Bonds are listed on the SGX-ST.
Clearance and Settlement	:	The Refinancing Series C Non-Convertible Bonds will be represented by one or more Global Certificates, each deposited on or about the relevant issue date with, and registered in the name of, CDP.

## Summary of the Terms and Conditions of the Proposed Amended Series 008 Securities

The following summary is derived from, and should be read in conjunction with, the full text of this Consent Solicitation Statement, Pricing Supplement relating to the Series 008 Securities, the MTN Trust Deed, the draft Supplemental Trust Deed relating to the Series 008 Securities and the MTN Agency Agreement.

- Issuer : Ezion Holdings Limited.
- Issue : Series 008 Subordinated Perpetual Securities issued under the Issuer's S\$1,500,000,000 Multicurrency Debt Issuance Programme.
- Status : The Series 008 Securities constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and will at all times rank *pari passu* and without any preference among themselves and with any Parity Obligations of the Issuer. The rights and claims of holders in respect of the Series 008 Securities are subordinated as provided in Condition 3(b) of the Series 008 Securities.

Subject to applicable laws, in the event of the Winding-Up of the Issuer, the rights of the holders of the Series 008 Securities to payment of principal of and Distribution on the Series 008 Securities are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Issuer but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the Series 008 Securities and in priority to the claims of Shareholders and/or as otherwise specified in the Pricing Supplement of the Series 008 Securities.

- Distribution : Provided that Shareholders approve the Shareholders' Extraordinary Resolution(s) on or before 31 March 2018, the Distribution Rate shall be:
- (a) in respect of the period from, and including, the Distribution Commencement Date to but excluding the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed (the "**Distribution Payment Reset Date**"), 7.00 per cent. per annum;
  - (b) in respect of the period from, and including, the Distribution Payment Reset Date to but excluding the Step-Up Date, 0.25 per cent. per annum;
  - (c) in respect of the period from, and including, the Step-Up Date and each Reset Date falling thereafter to, but excluding the immediately following Reset Date, the Relevant Reset Distribution Rate,

where "**Step-Up Date**" shall mean the date that is seven years after the Distribution Payment Reset Date and "**Relevant Reset Distribution Rate**" shall be 1.25% per annum with respect to the Step-Up Date and shall increase from the Distribution Rate applicable on the immediately preceding Reset Date (or, in relation to the Reset Date immediately after the Step-Up Date, the Step-Up Date) by 1.00% per annum on each immediately succeeding Reset

Date falling thereafter.

The amount of distribution payable with respect to each S\$50,000 in principal amount of the amended Series 008 Securities on each Distribution Payment Date shall be the product of the Distribution Rate, S\$50,000 and the Day Count Fraction for the period from and including the immediately preceding Distribution Payment Date (or in relation to the first Distribution Payment Date after the Distribution Payment Reset Date, the Distribution Payment Reset Date) to but excluding such Distribution Payment Date.

“**Distribution Payment Date**” shall mean the Distribution Payment Reset Date and the same day and month as, and the same day but six calendar months after the month of, the Distribution Payment Reset Date, as the case may be.

The above distribution from and including 19 November 2017 to but excluding the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed and any Arrears of Distribution (and any Additional Distribution Amount) are payable in the form of Distribution Notes (if Securityholders elect to receive Refinancing Series C Non-Convertible Bonds) and Shares (if Securityholders elect to continue to hold the amended Series 008 Securities), on the issue date of the Refinancing Series C Non-Convertible Bonds or on the effective date of the amendments to the Series 008 Securities, respectively.

The amended Series 008 Securities will cease to bear distributions where the Conversion Right attached to it shall have been exercised, from and including the Distribution Payment Date last preceding its conversion date (or if such conversion date falls on or before the first Distribution Payment Date, the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed) subject to conversion of the relevant amended Series 008 Securities.

See “Illustrations – Illustration 2: Interest/Distribution When Conversion Right Exercised”.

Conversion Right : Subject to certain conditions, each holder of the amended Series 008 Securities (the “**amended Series 008 Securityholder**”) will have the right during the Conversion Period to convert its amended Series 008 Securities into Shares. A Conversion Right may only be exercised in respect of amended Series 008 Securities in a minimum denomination of S\$50,000 and integral multiples of S\$50,000 in excess thereof.

Conversion Period : Subject to certain closed conversion periods, up to the close of business on the date that is four years from the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed (the “**Expiration Date**”) or, if such Series 008 Securities shall be called for redemption prior to the Expiration Date, then up to the close of business on a date no later than seven Business Days prior to the date fixed for redemption thereof.

Conversion Price : The price at which Shares will be issued upon conversion (the “**Conversion Price**”) of the Series 008 Securities will initially be S\$0.2763 per Share (which represents a 10.0 per cent. discount to the six-month volume weighted average price of a Share the day before trading in the Shares were halted and thereafter suspended), subject to adjustment in the manner provided in the Conditions of the Series 008 Securities (the initial Conversion Price as so adjusted from time to time, the “**Minimum Conversion Price**”).

However, solely where the Conversion Right is exercised on or prior to 60 days after the effective date of the amendments to the Series 008 Securities, the Conversion Price shall be S\$0.2487 per Share (which represents a 10.0 per cent. discount to the Minimum Conversion Price) (the “**Discounted Conversion Price**”).

The Conversion Price shall be reset every six months (each, a “**Conversion Price Reset Date**”) by the Issuer beginning on the effective date of the amendments to the Series 008 Securities to a price that represents the six-month volume weighted average price of the Shares prior to each Conversion Price Reset Date, rounded down to the nearest S\$0.0001, provided that if such a price is lower than the Minimum Conversion Price, the Conversion Price shall be the Minimum Conversion Price.

See “Illustrations – Illustration 3: Number of Shares Received Upon Exercise of Conversion Rights”.

Warrants (2018-Securityholders) : If an amended Series 008 Securityholder exercises its Conversion Right with respect to S\$50,000 in principal amount of Series 008 Securities and each S\$50,000 in principal amount in excess thereof on or prior to the date that is 60 days after the effective date of the amendments to the Series 008 Securities, the Issuer shall, at the same time that it delivers Shares to be issued upon the exercise of such Conversion Right, also issue to such amended Series 008 Securityholder 50,000 Warrants (2018-Securityholders) for every S\$50,000 principal amount of Series 008 Securities so converted. If such conversion occurs after 60 days but on or prior to the date that is six months after such effective date, the Issuer will issue 25,000 Warrants (2018-Securityholders) for every S\$50,000 principal amount of Series 008 Securities so converted. See “Summary of the Terms and Conditions of the Warrants (2018-Securityholders)” for a summary of the terms and conditions of the Warrants (2018-Securityholders).

For the avoidance of doubt, an amended Series 008 Securityholder who exercises its Conversion Right after such periods will not be eligible to receive any Warrants (2018-Securityholders).

No Fixed Redemption Date : There will be no fixed redemption date for the amended Series 008 Securities.

Redemption At The Option Of The Issuer : The Issuer may, having given not less than 30 nor more than 60 days’ notice to the amended Series 008 Securityholders (which notice shall be irrevocable) redeem all, and not some only, of the amended Series 008 Securities at 100.0 per cent. of their principal

amount on any Optional Redemption Date.

The first Optional Redemption Date shall be the Step-Up Date and the subsequent Optional Redemption Dates shall be each Distribution Payment Date occurring after the first Optional Redemption Date.

- Redemption For Taxation Reasons : At any time the Issuer may, having given not less than 30 nor more than 60 days' notice to the amended Series 008 Securityholders (which notice shall be irrevocable) redeem all, and not some only, of the amended Series 008 Securities at 100.0 per cent. of their principal amount, if as a result of certain events the Issuer has or will become obliged to pay additional amounts pursuant to deduction or withholding for any taxes, and such obligation will apply on the occasion of the next payment due in respect of the amended Series 008 Securities and cannot be avoided by the Issuer taking reasonable measures available to it.
- Redemption For Accounting Reasons : At any time the Issuer may, having given not less than 30 nor more than 60 days' notice to the amended Series 008 Securityholders (which notice shall be irrevocable) redeem all, and not some only, of the amended Series 008 Securities at 100.0 per cent. of their principal amount if, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council as amended from time to time ("**SFRS**") or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Issuer as amended from time to time (the "**Relevant Accounting Standards**"), the amended Series 008 Securities must not or must no longer be recorded as "equity" of the Issuer pursuant to the Relevant Accounting Standards.
- Redemption For Tax Deductibility Reasons : At any time the Issuer may, having given not less than 30 nor more than 60 days' notice to the amended Series 008 Securityholders (which notice shall be irrevocable) redeem all, and not some only, of the amended Series 008 Securities at 100.0 per cent. of their principal amount, if the Issuer satisfies the MTN Trustee immediately before giving such notice that, as a result of certain events, payments by the Issuer would no longer, or within 90 days of the date of an opinion of the Issuer's independent tax or legal advisers stating as such, would not be fully deductible by the Issuer for Singapore income tax purposes.
- Redemption At The Option Of Holders Of Series 008 Securities For Delisting : If the Shares cease to be listed or admitted to trading on the SGX-ST, the Issuer shall, at the option of the holders of amended Series 008 Securities, redeem such amended Series 008 Securities at 100.0 per cent. of their principal amount on the date falling 30 days after the Shares cease to be listed or admitted to trading.
- Form And Denomination Of The Amended Series 008 Securities : The amended Series 008 Securities are issued in registered form in the denomination of S\$50,000 and integral multiples of S\$50,000 in excess thereof.
- Further Issues : The Issuer may from time to time without the consent of the holders of amended Series 008 Securities create and issue further securities



having the same terms and conditions as the amended Series 008 Securities in all respects (other than in relation to the issue date or the issue price) so that such further issues shall be consolidated and form a single series with the outstanding amended Series 008 Securities.

- Governing Law : Singapore law.
- Listing : The amended Series 008 Securities are listed on the SGX-ST and will be traded on the SGX-ST in a minimum board lot size of S\$200,000 for so long as the amended Series 008 Securities are listed on the SGX-ST. The Shares are listed on the SGX-ST and application will be made for the listing of the Shares issuable upon conversion of the amended Series 008 Securities on the SGX-ST.
- Trading Market For The Shares : The only trading market for the Shares is the SGX-ST. The Shares have been listed on the SGX-ST since 4 September 2000.
- Clearance and Settlement : The amended Series 008 Securities are represented by one or more Global Certificates, each deposited on or about the relevant issue date with, and registered in the name of, CDP.

### Summary of the Terms and Conditions of the Warrants (2018-Securityholders)

The following summary is derived from, and should be read in conjunction with, the full text of this Consent Solicitation Statement, the full terms and conditions of the Warrants (2018-Securityholders), the deed poll constituting the Warrants (2018-Securityholders) and the agency agreement in relation to the Warrants (2018-Securityholders).

- Issuer : Ezion Holdings Limited.
- Issue : The warrants to be issued to Securityholders who exercise their Conversion Rights with respect to the Refinancing Series B Convertible Bonds or the amended Series 008 Securities, with each warrant giving the holder of such warrant the right to subscribe for one Share.
- Issue Price : Free.
- Exercise Right : Subject to certain conditions, each holder of the Warrants (2018-Securityholder) (the “**Warrantholder**”) will have the right during the Exercise Period, in respect of each Warrant (2018-Securityholders) held, to subscribe for one Share at the Exercise Price.
- Exercise Period : Subject to certain closed conversion periods, at any time after the date of issue of the Warrants (2018-Securityholders) up to the close of business on the date that is 24 months from the issue date of the Refinancing Series B Convertible Bonds (the “**Expiration Date**”).
- Exercise Price : The exercise price of the Warrants (2018-Securityholders) (the “**Exercise Price**”) will initially be S\$0.2763 per Share (which represents a 10.0 per cent. discount to the six-month volume weighted average price of a Share the day before trading in the Shares were halted and thereafter suspended), subject to adjustment in the manner provided in the Warrants (2018-Securityholders).
- Adjustment Events : The terms and conditions of the Warrants (2018-Securityholders) contain provisions for adjusting the Exercise Price upon the occurrence of certain events, such as bonus issues, rights issues, and consolidation or subdivision of Shares.
- Form Of The Warrants (2018-Securityholders) : The Warrants (2018-Securityholders) will be issued in definitive registered form.
- Further Issues : The Issuer may from time to time without the consent of the holders of the Warrants (2018-Securityholders) create and issue further Warrants (2018-Securityholders) having the same terms and conditions as the Warrants (2018-Securityholders) in all respects (other than in relation to the issue date) so that such further issues shall be consolidated and form a single series with the outstanding Warrants (2018-Securityholders).
- Governing Law : Singapore law.
- Listing : If the proposal is consummated, the Refinancing Series B Convertible Bonds issued and the amendments to the Series 008 Securities become effective, the Issuer intends to make an

application for the listing of the Warrants (2018-Securityholders) if the listing criteria (including but not limited to the public spread requirements) are met and any applicable regulatory approvals are obtained.

Clearance and Settlement : The Warrants (2018-Securityholders) will initially upon issue not be cleared in any clearing system.

## Illustrations

### Illustration 1: Alternatives for Options Available to Securityholders

*(a) For Any Series of Securities Other Than Series 008 Securities*

The following table shows the various alternatives available to a Securityholder of any Series of Securities (other than Series 008 Securities) to elect whether to receive Refinancing Series A Non-Convertible Bonds (Option A) or Refinancing Series B Convertible Bonds (Option B) or, if applicable, both Option A and Option B.

	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5
<b>S\$250,000</b>	Option A – S\$250,000	Option B – S\$250,000	N.A.	N.A.	N.A.
<b>S\$500,000</b>	Option A – S\$500,000	Option B – S\$500,000	Option A – S\$250,000 and Option B – S\$250,000	N.A.	N.A.
<b>S\$750,000</b>	Option A – S\$750,000	Option B – S\$750,000	Option A – S\$250,000 and Option B – S\$500,000	Option A – S\$500,000 and Option B – S\$250,000	N.A.
<b>S\$1,000,000</b>	Option A – S\$1,000,000	Option B – S\$1,000,000	Option A – S\$250,000 and Option B – S\$750,000	Option A – S\$750,000 and Option B – S\$250,000	Option A – S\$500,000 and Option B – S\$500,000

*(b) For Series 008 Securities*

The following table shows the various alternatives available to a Securityholder of Series 008 Securities to elect whether to receive Refinancing Series C Non-Convertible Bonds (Option C) or keep amended Series 008 Securities (Option D) or, if applicable, both Option C and Option D.

	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5
<b>S\$250,000</b>	Option C – S\$250,000	Option D – S\$250,000	N.A.	N.A.	N.A.
<b>S\$500,000</b>	Option C – S\$500,000	Option D – S\$500,000	Option C – S\$250,000 and Option D – S\$250,000	N.A.	N.A.
<b>S\$750,000</b>	Option C – S\$750,000	Option D – S\$750,000	Option C – S\$250,000 and Option D – S\$500,000	Option C – S\$500,000 and Option D – S\$250,000	N.A.
<b>S\$1,000,000</b>	Option C – S\$1,000,000	Option D – S\$1,000,000	Option C – S\$250,000 and Option D – S\$750,000	Option C – S\$750,000 and Option D – S\$250,000	Option C – S\$500,000 and Option D – S\$500,000

## Illustration 2: Interest/Distribution When Conversion Right Exercised

The following table shows the amount of interest or distribution payable on an interest payment date or distribution payment date, as the case may be, that occurs after each time a holder, holding S\$250,000 in principal amount of Refinancing Series B Convertible Bonds or amended Series 008 Securities held, exercises a Conversion Right with respect to every S\$50,000 in principal amount (assumes semi-annual interest periods or distribution periods of equal duration in a year).

Total Principal Amount Converted <sup>(1)</sup> During Interest Period or Distribution Period	Interest or Distribution Payable on Interest Payment Date or Distribution Payment Date <sup>(2) (3)</sup>
No conversion during interest period or distribution period	$S\$250,000 \times 0.25\% \div 2 = S\$312.50$
S\$50,000	$S\$200,000 \times 0.25\% \div 2 = S\$250.00$
S\$100,000	$S\$150,000 \times 0.25\% \div 2 = S\$187.50$
S\$150,000	$S\$100,000 \times 0.25\% \div 2 = S\$125.00$
S\$200,000	$S\$50,000 \times 0.25\% \div 2 = S\$62.50$
S\$250,000	No interest or distribution payable

### Notes:

- (1) Two or more denominations of S\$50,000 may be combined for conversion at any time during the Conversion Period.
- (2) The Refinancing Series B Convertible Bonds and the amended Series 008 Securities may only be traded on the SGX-ST in a board lot size of at least S\$200,000.
- (3) The illustration for Series 008 Securities does not show any distribution after the Step-Up Date.

### Illustration 3: Number of Shares Received Upon Exercise of Conversion Rights

The following table shows the number of Shares that a holder of Refinancing Series B Convertible Bonds and amended Series 008 Securities will receive, depending on the prevailing Conversion Price (including after a Conversion Price Reset Date). The illustration below assumes the following:

- the issue date of the Refinancing Series B Convertible Bonds and the effective date of the conversion provisions of the amended Series 008 Securities occurs on 1 February 2018;
- the initial Conversion Price and the Minimum Conversion Price is S\$0.2763, which represents a 10% discount to the six-month volume weighted average price of a Share from 9 February 2017 to 8 August 2017 (the Shares have been halted and thereafter suspended from trading since 10 August 2017);
- the Discounted Conversion Price is S\$0.2487<sup>(1)</sup>, which represents a 10% discount to the Minimum Conversion Price;
- the Conversion Right is exercised in relation to S\$50,000 in principal amount of Refinancing Series B Convertible Bonds or amended Series 008 Securities; and
- Extraordinary Resolution No. 1 of any Series of Securities is passed on 20 November 2017.

Date	Six Months Volume Weighted Average Price (VWAP Period)	Minimum Conversion Price	Applicable Conversion Price	Conversion Period	Shares Received (Series B Convertible Bonds)	Shares Received (Amended Series 008 Securities)
1 Feb 2018 (Issue Date/ Effective Date)	N.A.	N.A.	S\$0.2487	1 Feb 2018 – 1 Apr 2018	201,045	201,045
2 Apr 2018 (Discounted Conversion Price Ceases to Apply)	N.A.	S\$0.2763	S\$0.2763	2 Apr 2018 – 31 Jul 2018	180,962	180,962
1 Aug 2018 (Conversion Price Reset Date 1)	S\$0.3000 (1 Feb 2018 – 31 July 2018)	S\$0.2763	S\$0.3000	1 Aug 2018 – 31 Jan 2019	166,666	166,666
1 Feb 2019 (Conversion Price Reset Date 2)	S\$0.2500 (1 Aug 2018 – 31 Jan 2019)	S\$0.2763	S\$0.2763	1 Feb 2019 – 31 Jul 2019	180,962	180,962
1 Aug 2019 (Conversion Price Reset Date 3)	S\$0.2800 (1 Feb 2019 – 31 July 2019)	S\$0.2763	S\$0.2800	1 Aug 2019 – 31 Jan 2020	178,571	178,571

Note:

(1) The Discounted Conversion Price is only applicable for the exercise of Conversion Rights during the period from and including the issue date of the Refinancing Series B Convertible Bonds or the effective date of the conversion provisions of the amended Series 008 Securities to and including 60 days after such issue date or effective date, as the case may be.

- **Assuming a hypothetical adjustment event of a three-for-one stock split occurs on 1 February 2020, and no other adjustment events occur on or prior to 1 August 2020**, the Minimum Conversion Price will be hypothetically adjusted to S\$0.0921. The following table shows the hypothetical number of Shares that a holder of Refinancing Series B Convertible Bonds and amended Series 008 Securities will receive, depending on the prevailing Conversion Price (including after a Conversion Price Reset Date).

Date	Adjusted Six Months Volume Weighted Average Price (VWAP Period)	Adjusted Minimum Conversion Price	Applicable Conversion Price	Conversion Period	Shares Received (Series B Convertible Bonds)	Shares Received (Amended Series 008 Securities)
1 Feb 2020 (Conversion Price Reset Date 4)	S\$0.1200 (1 Aug 2019 – 31 Jan 2020)	S\$0.0921	S\$0.1200	1 Feb 2020 – 31 Jul 2020	416,666	416,666
1 Aug 2020 (Conversion Price Reset Date 5)	S\$0.0800 (1 Feb 2020 – 31 Jul 2020)	S\$0.0921	S\$0.0921	1 Aug 2020 – 31 Jan 2021	542,888	542,888
1 Feb 2021 (Conversion Price Reset Date 6)	S\$0.0800 (1. Aug 2020 – 31 Jan 2021)	S\$0.0921	S\$0.0921	1 Feb 2021 – 31 Jul 2021	542,888	542,888
1 Aug 2021 (Conversion Price Reset Date 7)	S\$0.1400 (1 Feb 2021 – 31 Jul 2021)	S\$0.0921	S\$0.1400	<u>Series B Convertible Bonds:</u> 1 Aug 2021 – 31 Jan 2022 <u>Amended Series 008 Securities:</u> 1 Aug 2021 – 19 Nov 2021	357,142	357,142
1 Feb 2022 (Conversion Price Reset Date 8)	S\$0.1700 (1 Aug 2021 – 31 Jan 2022)	S\$0.0921	S\$0.1700	1 Feb 2022 – 31 Jul 2022	294,117	N.A. Conversion Period Expired
1 Aug 2022 (Conversion Price Reset Date 9)	S\$0.2200 1 Feb 2022 – 31 Jul 2022	S\$0.0921	S\$0.2200	1 Aug 2022 – 19 Nov 2022	227,272	N.A. Conversion Period Expired

**Illustration 4: Accrual of Interest**

The following table shows how interest/distributions accrue on the relevant Series of Securities for each S\$250,000 in principal amount for the period indicated, assuming Extraordinary Resolution No. 1 for any Series of Securities are passed on the 20 November 2017 (which is the date of the Meeting) and the Shareholders' Extraordinary Resolution(s) are passed on or prior to 31 March 2018.

<b>From and Including</b>	<b>To But Excluding</b>	<b>Interest/Distribution if Extraordinary Resolution No. 1 and Shareholders' Extraordinary Resolution(s) Are Approved</b>	<b>Interest/Distribution if Extraordinary Resolution No. 1 and/or Shareholders' Extraordinary Resolution(s) Are Not Approved</b>
Interest Payment Date or Distribution Payment Date immediately preceding the date of Meeting <sup>(1)</sup>	20 November 2017	<p>Interest/distribution accrues at prevailing original Rate of Interest/Distribution Rate, and will amount to:</p> <ul style="list-style-type: none"> <li>• Series 003 Securities – S\$5,859 (4.7% per annum and Day Count Fraction of 182/365);</li> <li>• Series 004 Securities – S\$2,899 (4.6% per annum and Day Count Fraction of 92/365);</li> <li>• Series 005 Securities – S\$3,986 (4.85% per annum and Day Count Fraction of 120/365);</li> <li>• Series 006 Securities – S\$2,375 (5.1% per annum and Day Count Fraction of 68/365);</li> <li>• Series 007 Securities – S\$5,409 (4.875% per annum and Day Count Fraction of 162/365);</li> <li>• Series 008 Securities – If distribution is deferred: S\$8,871 (7.0% per annum and Day Count Fraction of 185/365). If distribution is not deferred: S\$48 (7.0% per annum and Day Count Fraction of 1/365).</li> </ul>	<p>Interest/distribution accrues at the prevailing original Rate of Interest/Distribution Rate for the period from and including the Interest Payment Date or Distribution Payment Date immediately preceding the date of Meeting<sup>(1)</sup> to but excluding the Interest Payment Date or Distribution Payment Date scheduled for immediately after the date of Meeting<sup>(2)</sup> and payment is to be made in the form of cash.</p> <p>However, where the Interest Payment Date or Distribution Payment Date scheduled for immediately after the date of Meeting<sup>(2)</sup> occurs on or prior to 31 March 2018, then:</p> <ul style="list-style-type: none"> <li>• in relation to the relevant Series of Securities other than the Series 008 Securities, it shall not be an Event of Default or a Potential Event of Default if the Issuer pays the amount of interest that is due and payable on such Interest Payment Date within 30 days of the earlier of the Shareholders' Meeting or 31 March 2018; and</li> <li>• in relation to the Series 008 Securities, it shall not be a non-payment under Condition 9(a), a failure to make payment under Condition 9(b), nor give rise to a</li> </ul>



		<p>Such interest/distribution will be payable in the form of:</p> <ul style="list-style-type: none"> <li>• if a Securityholder elects Option A or Option C, an Interest Note or a Distribution Note with a maturity date of seven years or 10 years, respectively, from 20 November 2017. The Interest Note and the Distribution Note will be issued within 30 days from the date of EGM and will be in a principal amount equal to the accrued interest/distribution illustrated above; and</li> <li>• if a Securityholder elects Option B or Option D, <ul style="list-style-type: none"> <li>○ Series 003 Securities – 21,205 Shares;</li> <li>○ Series 004 Securities – 10,492 Shares;</li> <li>○ Series 005 Securities – 14,426 Shares;</li> <li>○ Series 006 Securities – 8,595 Shares;</li> <li>○ Series 007 Securities – 19,576 Shares;</li> <li>○ Series 008 Securities – <ul style="list-style-type: none"> <li>If distribution is deferred: 32,106 Shares,</li> <li>If distribution is not deferred: 173 Shares.</li> </ul> </li> </ul> </li> </ul> <p>in each case calculated by dividing the accrued interest/distribution illustrated above divided by the initial Conversion Price of S\$0.2763.</p> <p>The Shares will be issued within 30 days from the date of EGM.</p>	<p>right to institute proceedings or take any action against the Issuer under Conditions 9(c), 9(d) and 9(e) of the Series 008 Securities if the Issuer pays the amount of distribution that is to be due and payable on such Distribution Payment Date within 30 days of the earlier of the Shareholders' Meeting and 31 March 2018.</p>
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20 November 2017	Interest Payment Date or Distribution Payment Date scheduled for immediately after the date of Meeting <sup>(2)</sup> and for every subsequent Interest Payment Date or Distribution Payment Date in relation to the relevant unamended Series of Securities.	Interest/distribution ceases to accrue on the Securities of all Series.	
20 November 2017	20 May 2018	S\$312.50 (0.25% per annum) paid semi-annually in relation to the Refinancing Bonds of all Series and the amended Series 008 Securities.	N.A. Refinancing Bonds will not be issued and the distribution provisions of Series 008 Securities will not be amended.
Every 20 May and 20 November (beginning from 20 May 2018)	Every 6 months later (ending on the relevant maturity date of the Refinancing Bonds)	Interest at new coupon payment date will be accrued to the Securityholder and form part of the first coupon payment under the new / amended series.	N.A. Refinancing Bonds will not be issued and the distribution provisions of Series 008 Securities will not be amended.

Notes:

- Series 003: 22 May 2017  
Series 004: 20 August 2017  
Series 005: 23 July 2017  
Series 006: 13 September 2017  
Series 007: 11 June 2017  
Series 008:  
If coupon payment is deferred on 19 November 2017: 19 May 2017  
If coupon payment is not deferred on 19 November 2017: 19 November 2017
- Series 003: 22 November 2017  
Series 004: 20 February 2018  
Series 005: 23 January 2018  
Series 006: 13 March 2018  
Series 007: 11 December 2017  
Series 008: 19 May 2018

### Illustration 5: Number of Shares Issued and Outstanding

The following table shows the amount of Shares outstanding, based on the assumptions set out in the table below.

	No. of Shares (in millions)	% Shareholding
No. of Shares issued and outstanding as at 30 September 2017	2,074	31.3%
Existing Warrants (2016) held by Shareholders	Up to 355	5.4%
Warrants (2018-Shareholders) to be issued to existing Shareholders (assuming 100% exercised)	Up to 1,244	18.8%
Warrants (2018-Securityholders) to be issued to holders who exercise their Conversion Rights during the Early Conversion Period (assuming S\$575,000,000 in principal amount converted and 100% of the Warrants (2018-Securityholders) are exercised)	Up to 575	8.7%
Shares to be issued with respect to accrued interest (assuming <ul style="list-style-type: none"> <li>• all opt for Option B and Option D,</li> <li>• estimated interest accrued from immediately preceding Interest Payment Date/Distribution Payment Date prior to 20 November 2017 (the date of Meeting) to 20 November 2017</li> <li>• issued at Minimum Conversion Price of S\$0.2763)</li> </ul>	Up to 48	0.7%
Consent Fee Shares (assuming all Securityholders are eligible for the Consent Fee)	Up to 13.8	0.2%
Conversion of Refinancing Series B Convertible Bonds and amended Series 008 Securities (assuming full conversion of S\$575 million at Minimum Conversion Price with 10% Discounted Conversion Price of S\$0.2487)	Up to 2,312	34.9%
<b>Total</b>	<b>Up to 6,622</b>	<b>100%</b>

The above excludes any new Shares that may be issued to potential investor(s), as described in “Appendix D – Company Information Memorandum – Business Outlook – Strategy and Future Plans – Attracting one or more strategic investors” and any Warrants (2018-Lenders) that may be issued to secured lenders who elect to charge interest at a fixed rate.

### Illustration 6: Redemption Premium Calculation

The following table shows the premium payable upon redemption of every S\$250,000 in principal amount of the Refinancing Series A Non-Convertible Bonds (Option A) and Refinancing Series C Non-Convertible Bonds (Option C) on their respective maturity dates. The illustration below assumes the following:

- Extraordinary Resolution No. 1 of any Series of Securities is passed on 20 November 2017;
- the issue date of the Refinancing Series A Non-Convertible Bonds (Option A) and Refinancing Series C Non-Convertible Bonds (Option C) occurs on 1 February 2018;
- the 30VWAP from 1 February 2018 to 2 March 2018 is S\$0.2675 (the “Initial 30VWAP”); and
- no event has occurred which would require an adjustment to 30VWAP.

Historical 30VWAP on the 15th day prior to redemption	Percentage increase from Initial 30VWAP of S\$0.2675	Option A Refinancing Series A Non-Convertible Bonds			Option C Refinancing Series C Non-Convertible Bonds		
		Additional Redemption Premium (%)	Total Redemption Premium (%)	Total Redemption Premium (S\$)	Additional Redemption Premium (%)	Total Redemption Premium (%)	Total Redemption Premium (S\$)
S\$0.2410	0.0%	$0.0\% \times 6 = 0.00\%$	6.00%	S\$15,000	$0.0\% \times 7.5 = 0.00\%$	7.50%	S\$18,750
S\$0.2800	4.7%	$4.7\% \times 6 = 0.28\%$	6.28%	S\$15,700	$4.7\% \times 7.5 = 0.35\%$	7.85%	S\$19,625
S\$0.3000	12.2%	$12.2\% \times 6 = 0.73\%$	6.73%	S\$16,825	$12.1\% \times 7.5 = 0.91\%$	8.41%	S\$21,025
S\$0.3540	32.3%	$32.3\% \times 6 = 1.94\%$	7.94%	S\$19,850	$32.3\% \times 7.5 = 2.42\%$	9.92%	S\$24,800
S\$0.3810	42.4%	$42.4\% \times 6 = 2.54\%$	8.54%	S\$21,350	$42.4\% \times 7.5 = 3.18\%$	10.68%	S\$26,700
S\$0.4020	50.3%	$50.3\% \times 6 = 3.02\%$	9.02%	S\$22,550	$50.3\% \times 7.5 = 3.77\%$	11.27%	S\$28,175
S\$0.4230	58.1%	$58.1\% \times 6 = 3.49\%$	9.49%	S\$23,725	$58.1\% \times 7.5 = 4.36\%$	11.86%	S\$29,650
S\$0.5290	97.8%	$97.8\% \times 6 = 5.87\%$	11.87%	S\$29,675	$97.8\% \times 7.5 = 7.34\%$	14.84%	S\$37,100
S\$0.5850	118.7%	$118.7\% \times 6 = 7.12\%$	13.12%	S\$32,800	$118.7\% \times 7.5 = 8.90\%$	16.40%	S\$41,000
S\$0.6110	128.4%	$128.4\% \times 6 = 7.70\%$	13.70%	S\$34,250	$128.4\% \times 7.5 = 9.63\%$	17.13%	S\$42,825

### Illustration 7: Conversion Pricing and Bonus Warrants

The following table shows the Conversion Price of the Refinancing Series B Convertible Bonds (Option B) and the amended Series 008 Securities (Option D) and issue of Warrants (2018-Securityholders) upon conversion of every S\$50,000 in principal amount of the Refinancing Series B Convertible Bonds (Option B) and amended Series 008 Securities (Option D):

Scenarios	Convert on or before 60 days after Refinancing Series B Convertible Bond issue date or amended Series 008 Securities effective date	Convert after 60 days but on or before the sixth month from such issue date/effective date	Convert after sixth month from such issue date/effective date
<b>Conversion Price of Refinancing Series B Convertible Bonds and amended Series 008 Securities</b>	<ul style="list-style-type: none"> <li>S\$0.2487 (Discounted Conversion Price: 10% discount to initial Conversion Price)</li> </ul>	<ul style="list-style-type: none"> <li>S\$0.2763 (“initial Conversion Price” and “Minimal Conversion Price”)</li> </ul>	<ul style="list-style-type: none"> <li>Conversion Price is reset every six months using the six month volume weighted average price of the Shares, subject to Minimum Conversion Price</li> </ul>
<b>Bonus Warrants (2018-Securityholders) (Application to be made to list Warrants on SGX-ST)</b>	<ul style="list-style-type: none"> <li>50,000 Warrants (2018-Securityholders) to be issued for <u>every S\$50,000 principal amount</u> of Refinancing Series B Convertible Bonds or amended Series 008 Securities converted.</li> <li>Each Warrant (2018-Securityholders) provides the holder the right to subscribe for one Share.</li> </ul>	<ul style="list-style-type: none"> <li>25,000 Warrants (2018-Securityholders) to be issued for <u>every S\$50,000 principal amount</u> of Refinancing Series B Convertible Bonds or amended Series 008 Securities converted.</li> <li>Each Warrant (2018-Securityholders) provides the holder the right to subscribe for one Share.</li> </ul>	<ul style="list-style-type: none"> <li>No Warrants (2018-Securityholders) will be issued.</li> </ul>
<b>Exercise Price of Warrants (2018-Securityholders)</b>	<ul style="list-style-type: none"> <li>(a) S\$0.2763 per Warrant (2018-Securityholders).</li> <li>(b) Exercise price is the same as the initial Conversion Price of the Refinancing Series B Convertible Bonds and the amended Series 008 Securities, and reflects a 10% discount to the six-month VWAP of the Shares prior to the suspension of trading.</li> <li>(c) Warrants (2018-Securityholders) are exercisable for 24 months from the issue date of the Warrants (2018-Securityholders), which is expected to be the same date as the issue date of the Refinancing Series B Convertible Bonds.</li> </ul>	<ul style="list-style-type: none"> <li>No Warrants (2018-Securityholders) will be issued.</li> </ul>	

Scenarios	Convert on or before 60 days after Refinancing Series B Convertible Bond issue date or amended Series 008 Securities effective date	Convert after 60 days but on or before the sixth month from such issue date/effective date	Convert after sixth month from such issue date/effective date
<b>Interest Rate (Refinancing Series B Convertible Bonds) / Distribution Rate (amended Series 008 Securities)</b>	<ul style="list-style-type: none"> <li>• 0.25% per annum</li> <li>• For amended Series 008 Securities only (Option D): Distribution rate steps up by 1% per annum from and including the date that is seven years after the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed (if not redeemed)</li> </ul>		

### Illustration 8: Bonus Warrants Calculation

- The following table shows the number of free Warrants (2018-Securityholders) that will be issued.
- Free Warrants (2018-Securityholders) will be issued for every S\$50,000 in principal amount of Refinancing Series B Convertible Bonds or amended Series 008 Securities converted within six months from their issue date/effective date, respectively.
- Each such Warrant (2018-Securityholders) provides the holder with the right to subscribe for one Share within 24 months from the issue date of the Warrants (2018-Securityholders), which is expected to be the same date as the issue date of the Refinancing Series B Convertible Bonds.

<b>Period during which S\$50,000 principal amount of Refinancing Series B Convertible Bonds or amended Series 008 Securities are converted</b>	<b>No. of Shares to be issued upon conversion</b>	<b>No. of Warrants (2018-Securityholders) to be issued</b>	<b>Exercise Period of Warrant (2018-Securityholders)</b>	<b>Amount to be paid by holder of Warrants (2018-Securityholders) to exercise 50,000 Warrants (2018-Securityholders)</b>	<b>Total Shares after exercise of Warrants (2018-Securityholders)</b>
<b>On or before 60 days after Refinancing Series B Convertible Bond issue date or amended Series 008 Securities effective date</b>	$S\$50,000 \div S\$0.2487 = 201,045$ Shares	50,000	Prior to 24 months from the issue date of the Warrants (2018-Securityholders) <sup>(1)</sup>	$50,000 \times S\$0.2763 = S\$13,815$	251,045 Shares
<b>After 60 days but on or before the sixth month from such issue date/effective date</b>	$S\$50,000 \div S\$0.2763 = 180,962$ Shares	25,000	Prior to 24 months from the issue date of the Warrants (2018-Securityholders) <sup>(1)</sup>	$25,000 \times S\$0.2763 = S\$6,908$	205,962 Shares
<b>Convert after sixth month from such issue date/effective date</b>	$S\$50,000 \div S\$0.2800^{(2)} = 178,571$ Shares	No Warrants (2018-Securityholders) to be issued	N.A.	N.A.	178,571 Shares

Notes:

(1) Which is expected to be the same date as the issue date of the Refinancing Series B Convertible Bonds

(2) Assumes a Conversion Price of S\$0.2800

## Expected Timetable

*The times and dates below are indicative only. The Issuer may, to the extent permitted by law and the provisions of the MTN Trust Deed, in its sole discretion, extend, re-open, amend, waive any condition of, or terminate this Consent Solicitation at any time prior and up to the Expiration Time or, if relevant the Adjournment Instruction Deadline. Accordingly, the actual timetable may differ significantly from the expected timetable set forth below. All references to times throughout this Consent Solicitation Statement are to Singapore time, unless otherwise stated.*

*Securityholders are advised to check with CDP and/or the relevant bank, custodian, securities broker or other intermediary through which they hold their Securities whether such entity applies different deadlines for any of the events specified below, and then to adhere to such deadlines if such deadlines are prior to the deadlines set forth below. All of the dates and times set out below are subject to change to comply with any earlier deadlines that may be set by CDP or any such intermediary.*

Event	Date and Time
Notice of Meeting to be given to Securityholders by means of publication in <i>The Business Times</i> or by mail, as the case may be	23 October 2017
Consent Solicitation Statement to be made available to Securityholders at the office of the Meeting Agent	From 23 October 2017, between 8.30 a.m. to 5.00 p.m. (Singapore time) on each Monday to Friday (excluding public holidays), up to the Expiration Time.
Consent Deadline – Latest time and date for receipt by the Meeting Agent of Voting Instructions to vote in favour of both Extraordinary Resolution No. 1 and Extraordinary Resolution No. 2 (in relation to the Securities other than the Series 008 Securities) or in favour of Extraordinary Resolution No. 1 (in relation to the Series 008 Securities) in order to be eligible to receive the Consent Fee	5:00 p.m. (Singapore time) on 15 November 2017
Record Date of the Series 008 Securities	18 November 2017
Expiration Time – Latest time and date for (i) receipt by the Meeting Agent of Voting Instructions to vote in favour of the Extraordinary Resolution, (ii) receipt by the Meeting Agent of Voting Instructions to vote against the Extraordinary Resolution, and (iii) Securityholders to request for a Voting Certificate (in the case of Securities other than the Series 008 Securities) or Securityholders to appoint themselves or someone else as proxy to attend the Meeting (in the case of the Series 008 Securities). Voting Instructions are irrevocable and may not be amended after this time, unless the Meeting is adjourned for want of a quorum	In respect of: <ul style="list-style-type: none"> <li>• the Series 003 Securities, 9:00 a.m. (Singapore time) on 18 November 2017;</li> <li>• the Series 004 Securities, 9:30 a.m. (Singapore time) on 18 November 2017;</li> <li>• the Series 005 Securities, 10:00 a.m. (Singapore time) on 18 November 2017;</li> <li>• the Series 006 Securities, 10:30 a.m. (Singapore time) on 18 November 2017;</li> <li>• the Series 007 Securities, 11:00 a.m. (Singapore time) on 18</li> </ul>



November 2017; and

- the Series 008 Securities, 11:30 a.m. (Singapore time) on 19 November 2017.

Time and date of the Meeting

In respect of:

- the Series 003 Securities, 9:00 a.m. (Singapore time) on 20 November 2017;
- the Series 004 Securities, 9:30 a.m. (Singapore time) on 20 November 2017;
- the Series 005 Securities, 10:00 a.m. (Singapore time) on 20 November 2017;
- the Series 006 Securities, 10:30 a.m. (Singapore time) on 20 November 2017;
- the Series 007 Securities, 11:00 a.m. (Singapore time) on 20 November 2017; and
- the Series 008 Securities, 11:30 a.m. (Singapore time) on 20 November 2017.

Notice of the results of the Meeting intended to be given to Securityholders

As soon as reasonably practicable after the Meeting, but in any event not later than 14 days after the Meeting.

**If the Extraordinary Resolution is passed at the Meeting:**

Subject to the fulfillment of the Settlement Conditions, payment of the Consent Fee to Securityholders of the relevant Series of Securities who have submitted or delivered Voting Instructions to vote in favour of both Extraordinary Resolutions for such Series of Securities (other than the Series 008 Securities) or, in the case of the Series 008 Securities to vote in favour of Extraordinary Resolution No. 1, in each case by the Consent Deadline and have not subsequently revoked or amended such instructions

No later than 10 Business Days following the lifting of the suspension of trading of the Issuer's securities on the SGX-ST.

Execution of the Supplemental Trust Deed

On or around 20 November 2017.

**If the Meeting is adjourned:**

Notice of adjourned Meeting intended to be given to Securityholders by means of publication in *The Business Times* or by mail, as the case may be

On or around 21 November 2017.

Adjournment Instruction Deadline – Latest time and date for delivery (or revocation) of Voting Instructions to the Meeting Agent for the

On or around 6 December 2017 (other than for Series 008 Securities) and 7

adjourned Meeting to vote in favour of the Extraordinary Resolution December 2017 (in relation to Series 008 Securities), as to be specified further in the Notice of adjourned Meeting.

Time and date of adjourned Meeting (if any) On or around 8 December 2017, as to be specified further in the Notice of adjourned Meeting.

Notice of Result of any adjourned Meeting to be given to Securityholders As soon as reasonably practicable after the adjourned Meeting, but in any event, no later than 14 days after the adjourned Meeting.

**If the Extraordinary Resolution is passed at the adjourned Meeting:**

Subject to the fulfillment of the Settlement Conditions, payment of the Consent Fee to Securityholders of the relevant Series of Securities who have submitted or delivered Voting Instructions to vote in favour of both Extraordinary Resolutions for such Series of Securities (other than the Series 008 Securities) or, in the case of the Series 008 Securities to vote in favour of Extraordinary Resolution No. 1, in each case by the Consent Deadline and have not subsequently revoked or amended such instructions No later than 10 Business Days following the lifting of the suspension of trading of the Issuer's securities on the SGX-ST.

Execution of the Supplemental Trust Deed On or around 8 December 2017.

Any announcements or notifications to be made to Securityholders arising out of or in connection with the Proposal, the Meeting or the Extraordinary Resolution will be made by the Issuer in accordance with the provisions of the MTN Trust Deed and the Conditions of the Securities.

## **Risk Factors**

*You should consider carefully the following risks and all of the other information set forth in this Consent Solicitation Statement, before casting your vote in favour of or against the Extraordinary Resolution proposed at the Meeting. The risk factors set out below do not purport to be complete or comprehensive of all the risks that may be involved in the business, financial condition, results of operations and prospects of the Issuer or the Group or any decision in respect of the Proposal. Additional risks which the Issuer is currently unaware of may also impair the business, financial condition, results of operations and prospects of the Issuer or the Group. If one or more of the following risks actually occur, the business, financial condition, results of operations and prospects of the Issuer or the Group, or the Issuer's ability to make interest and/or principal payments, or redeem the Securities under the Proposal could be materially adversely affected. In that event, you may lose all or part of your investment in the Securities.*

*Securityholders should not rely on the information set out herein as the sole basis for any decision in relation to the Proposal but should seek appropriate and relevant advice concerning the appropriateness of a decision in relation to the Proposal for their particular circumstances.*

### **1 Risks if the relevant Extraordinary Resolution and the Shareholders Extraordinary Resolution(s) are Not Passed**

*The Issuer's ability to complete the Refinancing is depending on the passing of the Extraordinary Resolution No. 1 of all Series of Securities and the Shareholders Extraordinary Resolution(s); and if not passed the Issuer may default on the Securities and on all or substantially all of its other existing indebtedness.*

Under the principal terms of the refinancing discussed with each of its secured lenders, the passing of the Extraordinary Resolution No. 1 of all Series of Securities and the Shareholders Extraordinary Resolution(s) will be a condition precedent to each of such secured lenders refinancing the Group's existing loan facilities with each such secured lender (including accepting minimal fixed principal repayments over the next six years, decreasing the interest rates for such loan facilities and potentially electing to charge interest at a fixed rate for such loan facilities in order to receive Warrants (2018-Lenders)) and granting of up to an aggregate of US\$100 million in additional revolving credit facilities by such secured lenders (the "New RCF"). The Group requires such refinancing and the New RCF, together with the waivers and amendments in Extraordinary Resolution No. 1 of the relevant Series of Securities, to provide new working capital, boost the Issuer's capital base and enhance the cash position of the Group so that it can conduct its business and improve its future prospects.

If Securityholders of any Series of Securities do not pass Extraordinary Resolution No. 1, the secured lenders will likely not complete the refinancing of the Group's existing loan facilities nor advance any monies under the New RCF. As a result, the Group's liabilities are likely to remain at unsustainable levels, cashflows are likely to become insufficient to meet such liabilities in the near future. Accordingly, the Issuer may default on the Securities and on all or substantially all of its other existing indebtedness.

If the Extraordinary Resolution with respect to any Series of Securities is not passed in the Consent Solicitation or the Shareholders do not pass the Shareholders Extraordinary Resolution(s), the Issuer may default on the Securities and may not be in a position to pay any interest on, or repay the principal of, any of the Securities. Such default may also trigger cross default and/or cross acceleration clauses in the Group's loan agreements relating to a substantial amount of the Group's other indebtedness that may allow the creditors to accelerate repayment on such other indebtedness, and enforce on the Group's assets that constitute those creditors' security for their respective indebtedness. In addition, the counterparties of the Group's charter contracts may also be entitled to terminate such contracts, which would materially and adversely affect the Group's business, financial condition, results of operations and prospects. It is unclear whether Securityholders will be able to recover any or all of their investments in the Securities in such circumstances.

As mentioned above, secured creditors may enforce / foreclose on the assets over which security interests have been granted. Securityholders and other unsecured creditors may also commence litigation against the Issuer and its subsidiaries, which may adversely affect the Issuer's ability to meet its obligations under the Securities, and which could also materially and adversely affect the Group's business, financial condition, results of operations and prospects. Judgments obtained against the Issuer and its subsidiaries from such litigation could also be enforced against the unsecured assets of the Issuer and its subsidiaries.

The Issuer would also, in all likelihood, be unable to pay its debts as they fall due, and hence deemed insolvent. In addition to the abovementioned risks of default, acceleration, enforcement and litigation, the Issuer would also be susceptible to issuances of statutory demands from its creditors, as well as winding up or judicial management proceedings being taken out against it by those creditors.

***Securityholders may not realise any recovery if the Securities are accelerated.***

If the Securities are accelerated and a demand is made on the Issuer to make payment of all amounts due under the Securities, it is likely that the Issuer would not be able to make such payment. Consequently, if a judicial manager or a liquidator is appointed with respect to the Issuer, there are likely to be various consequences that would make it more likely for Securityholders to recover less than what Securityholders would have recovered if the relevant Extraordinary Resolution and the Shareholders Extraordinary Resolution(s) had been passed.

For example, it is likely that customers of the Group will begin to terminate contracts with the Group that are in effect, the Group would likely be subject to various liquidated damages, the Group would find it more difficult to collect its accounts receivables, and the Group's contingent liabilities would likely crystallise. In addition, it would be difficult to sell the Group's assets at commercially reasonable prices and terms.

Any appointment of a judicial manager or liquidator would also create a new class of creditors that do not currently exist, including financial advisory, banking, liquidation, accounting, legal and other professionals that would be involved in any judicial management and liquidation proceedings.

In addition, judicial management and liquidation proceedings may take a substantial time period to complete before payments to the creditors (if any) are declared, and there is no assurance that Securityholders would be able to recover in a reasonable time period all amounts, or a reasonable amount due to Securityholders, or at all.

***The possible returns to Securityholders resulting from the winding up of the Issuer and its subsidiaries is likely to be significantly less than the Proposal.***

Any of the Issuer's creditors may institute winding up proceedings to recover the debts owed to them. Most of the Issuer's secured lenders have granted various loans and other financings that are secured over various assets of the Issuer and its subsidiaries. Any secured lender may foreclose upon the security and sell or otherwise deal with such secured assets in accordance with the terms of the security documents governing such security. Any sale of such assets in these circumstances is likely to be at a lower amount than the amount a seller would have received were such sale to take place in circumstances where such seller is not in financial difficulties.

Therefore, it is unlikely for there to be significant surplus funds available for distribution to unsecured creditors (including Securityholders) in a winding up of the Issuer and its subsidiaries that would enable such creditors (including Securityholders) to recover in full all amounts owing to such creditors (including Securityholders).

The Issuer has not performed a formal liquidation analysis to compare the financial effects to Securityholders of the Proposal against the possible returns to Securityholders resulting from the winding up of the Issuer and its subsidiaries. Therefore, no comparison of the terms of the Proposal against a winding up of the Issuer and its subsidiaries is available.

***The Extraordinary Resolutions in respect of each Series of Securities are separate and independent***

The Extraordinary Resolutions in respect of each Series of Securities are separate and independent from the Extraordinary Resolutions in respect of any other Series of Securities. The Extraordinary Resolutions in respect of each Series of Securities is not contingent upon the passing of the Extraordinary Resolutions in respect of any other Series of Securities. If the Extraordinary Resolutions in respect of a particular Series of Securities is passed, there is no guarantee that the Extraordinary Resolutions in respect of any other Series of Securities has been passed or will also be passed. Such a situation may result in the occurrence of a Potential Event of Default or an Event of Default in respect of such other Series of Securities, and which may trigger a cross default in one or more agreements entered into by the Issuer or its subsidiaries (including, but not limited to, charter contracts relating to the Group's vessels and loan agreements), enabling the counterparty to terminate such agreements. See the risk factor "*The Issuer may default on the Securities and on substantially all of its other existing indebtedness.*" for further details.

***Securityholders may not be able to take any direct enforcement action against the Issuer.***

Condition 12 of each Series of Securities (other than the Series 008 Securities) provides that at any time after such Series of Securities have become due and payable, the MTN Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the MTN Trust Deed and such Series of Securities. However, Condition 12 further provides that the MTN Trustee is not bound to take any such proceedings unless (a) directed by an extraordinary resolution passed by Securityholders of such Series of Securities or the MTN Trustee has been requested to do so in writing by holders of not less than 25 per cent. in principal amount of such Series of Securities outstanding, and (b) the MTN Trustee has been indemnified and/or secured and/or pre-funded to its satisfaction.

Conditions 9(d) and 9(e) of the Series 008 Securities contains a similar provision relating to the enforcement action that may be taken under the Series 008 Securities.

Accordingly, if Securityholders wish to instruct the MTN Trustee to institute proceedings against the Issuer to enforce the terms of the MTN Trust Deed and the Securities, the requisite threshold of instruction by the Securityholders must be met. In addition, the MTN Trustee may request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before the MTN Trustee takes any action on behalf of Securityholders. Negotiating and agreeing to such an indemnity, security or pre-funding can be a lengthy process and may have an impact on when such action can be taken.

Condition 12 of each Series of Securities (other than the Series 008 Securities) and Condition 9(e) of the Series 008 Securities also provide that Securityholders shall not be entitled to proceed directly against the Issuer unless the MTN Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

**2 Risks if the Extraordinary Resolution and/or the Shareholders Extraordinary Resolution(s) are Passed**

***The Extraordinary Resolution in respect of each Series of Securities, if passed, will be binding on all Securityholders of such Series of Securities, including the waiver of all claims against the Issuer.***

The Conditions contain provisions for calling meetings of Securityholders of each Series of Securities to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders of such Series of Securities including Securityholders of such Series who did not attend and vote at the relevant meeting and Securityholders of such Series who voted in a manner contrary to the majority.

Accordingly, if the applicable Extraordinary Resolution in respect of a Series of Securities is passed at the relevant Meeting of Securityholders of a Series of Securities (or if applicable, any adjourned Meeting), the

matters set out in such Extraordinary Resolution shall be binding upon all Securityholders of such Series whether present or not present at such Meeting and each Securityholder of such Series shall be bound by that Extraordinary Resolution. This includes the waiver of all claims against the Issuer, including but not limited to claims resulting from any Event of Default or Potential Event of Default relating to such Series as specified in the relevant Extraordinary Resolution.

***The amendments approved by Securityholders of the relevant Series of Securities are subject to the Issuer obtaining approval by Shareholders of the Shareholders' Extraordinary Resolution(s).***

The amendments, if approved by the Securityholders of the relevant Series of Securities, are subject to the further approval by Shareholders of the Shareholders' Extraordinary Resolution(s). There can be no assurance that the Issuer's Shareholders will be able to obtain such approvals by 31 March 2018 or at all. If Shareholders do not approve the Shareholders Extraordinary Resolution(s), the proposed amendments to the MTN Trust Deed and the Conditions of the Securities, as well as the refinancing with the Group's secured lenders, will not become effective. Accordingly, it is likely that the Group will be in default on various agreements that it may have (including the MTN Trust Deed and the Conditions of the Securities) which may result in the Group being unable to pay its debts when due. See "Risk Factors – Risks if the relevant Extraordinary Resolution and the Shareholders Extraordinary Resolution(s) are Not Passed – The Issuer's ability to complete the Refinancing is depending on the passing of the Extraordinary Resolution No. 1 of all Series of Securities and the Shareholders Extraordinary Resolution(s); and if not passed the Issuer may default on the Securities and on all or substantially all of its other existing indebtedness" for further details of the risk of the Shareholders not passing the Shareholders' Extraordinary Resolution(s).

***The amendments approved by Securityholders of the relevant Series of Securities are not subject to the effectiveness of any refinancing of the Group's indebtedness with its secured lenders.***

The Proposal, if approved by the Securityholders of the relevant Series of Securities, is not conditional upon the agreement by the Group's secured lenders (either individually or as a group) to refinance the Group's total indebtedness or upon the completion of such refinancing. There can be no assurance that the Group's secured lenders will (either individually or as a group) agree to such refinancing, or that the eventual agreed upon refinancing terms will be commercially reasonable. If one or more secured lenders do not approve the refinancing, the Proposal will nevertheless become effective if the other conditions to effectiveness are satisfied or waived.

Substantially all of the cash inflows to the Group arises in connection with the charter of the Group's vessels to customers. Such cash is required, under the terms of various loan agreements relating to the financing of the relevant vessels under charter, to be paid into various restricted bank accounts over which a security interest has been granted to the relevant secured lender. Such secured lenders have no obligation to release cash from these accounts to make any principal, premium, interest or distribution payment under the Refinancing Bonds or the amended Series 008 Securities. If the loans are not refinanced in a manner that takes into account the payment obligations of the Issuer under the Refinancing Bonds or the amended Series 008 Securities, it is likely that the Issuer will not be able to make any payment of principal, premium, interest or distribution under the Refinancing Bonds or the amended Series 008 Securities, absent any new sources of cash available to the Issuer.

***If the Issuer does not exercise the Refinancing Redemption Option, Securityholders will be in a worse position than if Extraordinary Resolution No. 1 had not been passed.***

If Extraordinary Resolution No. 1 of the relevant Series of Securities is passed and the Amendments become effective, Securityholders of the relevant Series of Securities would have, *inter alia*, granted certain waivers with respect to, agreed to lower the rate of interest or distribution on and added the Refinancing Redemption Option to, such Series of securities. The Refinancing Redemption Option allows the Issuer to redeem, at its option, all but not some only of the relevant Series of Securities by giving five days' notice at any time on or prior to 30 days after the Shareholders' Extraordinary Resolution(s) are passed. However, the Issuer is not

obligated to exercise the Refinancing Redemption Option, although it intends to do so. If the Issuer does not exercise the Refinancing Redemption Option, Securityholders would have already agreed to, *inter alia*, a lower rate of interest or distribution on such Series of Securities. Therefore, Securityholders may be in a worse position than if the Extraordinary Resolution No. 1 had not been passed.

***Securityholders may be unable to transfer their existing Securities for an extended period of time.***

If a Securityholder submits a Voting Instruction Form, the Securities that are the subject of the Voting Instruction Form will be earmarked at CDP. Depending on the circumstances described in the section of the Consent Solicitation Statement entitled “*The Proposal—Procedures for Voting*”, the Earmarking Period could be for an extended period of time. For example, if the Extraordinary Resolution No. 1 of all of the Securities are approved by the relevant Securityholders of the relevant Series of Securities and if Shareholders approve the Shareholders’ Extraordinary Resolution(s), the Earmarking Period could last until 30 April 2018. During such Earmarking Period, such a Securityholder will be unable to transfer such Securities.

***Securityholders will not receive payment of any interest or distribution (including any Arrears of Distribution) that accrues from and including the Interest Payment Date or Distribution Payment Date occurring immediately prior to the Meeting or any adjourned Meeting to but excluding the date of such Meeting or any adjourned Meeting in cash nor will such payment be paid promptly after the Meeting or any adjourned Meeting.***

Under the terms of the Extraordinary Resolution No. 1 of the relevant Series of Securities, Securityholders will not receive payment of any interest or distribution (including any Arrears of Distribution) that accrues from and including the Interest Payment Date or Distribution Payment Date, as the case may be, occurring immediately prior to the Meeting or any adjourned Meeting to but excluding the date of such Meeting or any adjourned Meeting in the form of cash. Instead, the Issuer will make such interest or distribution (including any Arrears of Distribution) payment in the form of Interest Notes or Shares (in the case of a Series of Securities other than the Series 008 Securities) or Distribution Notes or Shares (in the case of Series 008 Securities).

In addition, the payment of any such interest or distribution (including any Arrears of Distribution) will not occur promptly after such Meeting or any adjourned Meeting, but will only be paid (assuming that Shareholders Extraordinary Resolution(s) are approved by 31 March 2018) on the issue date of the Refinancing Bonds or the date the conversion feature of the amended Series 008 Securities comes into effect.

***Securityholders electing to receive Refinancing Series A Non-Convertible Bonds and Refinancing Series C Non-Convertible Bonds, and holders of Refinancing Series B Convertible Bonds and amended Series 008 Securities exercising their Conversion Rights after six months from the issue date or effective date of such securities, will not be entitled to receive any warrants.***

Under the terms of the Refinancing Series B Convertible Bonds and the proposed amended Series 008 Securities, holders exercising their Conversion Rights on or prior to six months from the issue date or effective date of such securities will receive a certain number of Warrants (2018-Securityholders) depending on when such holders exercise such Conversion Rights. Holders of such Refinancing Series B Convertible Bonds and the proposed amended Series 008 Securities who exercise their Conversion Rights after such period will not receive any Warrants (2018-Securityholders).

In addition, Securityholders electing to receive Refinancing Series A Non-Convertible Bonds and Refinancing Series C Non-Convertible Bonds will not have any conversion rights, and are not entitled to receive any Warrants (2018-Securityholders) or any other securities.

***Securityholders electing to receive Refinancing Series A Non-Convertible Bonds and Refinancing Series C Non-Convertible Bonds will receive the net proceeds from the sale of Shares that are to be issued as the***

***Consent Fee, and such net proceeds may be lower than the number of such Consent Fee Shares multiplied by the issue price of such Shares.***

The Consent Fee is payable in the form of Shares to be issued by the Issuer at an issue price of S\$0.2763 per Share, subject to the occurrence of the Settlement Conditions. Securityholders electing to receive Refinancing Series B Convertible Bonds or to continue holding amended Series 008 Securities will receive such Consent Fee in Shares. However, Securityholders electing to receive Refinancing Series A Non-Convertible Bonds and Refinancing Series C Non-Convertible Bonds will be deemed to have instructed the Issuer to sell (at any prevailing price during the five Business Days after the lifting of the suspension of trading of the Issuer's securities), and the Issuer may make arrangements (at its discretion) for the sale of, such number of Shares such Securityholder would be entitled to, and the proceeds of such sale (after deduction of any applicable brokerage fees and applicable taxes) is to be paid to such Securityholder in proportion to the principal amount of Refinancing Series A Non-Convertible Bonds and Refinancing Series C Non-Convertible Bonds that is originally issued to such Securityholders. There can be no assurances that the Consent Fee Shares can be sold at a price that is higher than the issue price of the Shares to Securityholders, or at all. Such Securityholders will also be deemed to have agreed to the payment of, and be deemed to have instructed the Issuer to pay, any applicable brokerage fees and applicable taxes in connection with the sale of such Consent Fee Shares. Accordingly, the net proceeds that a Securityholder may receive may be substantially less than S\$1,657.80 (which is 6,000 multiplied by S\$0.2763) for every S\$250,000 in principal amount) of the relevant Series of Securities which are the subject of the Voting Instruction.

***Securityholders may be required to hold the Refinancing Bonds, the Interest Notes and the Distribution Notes for an extended period of time.***

One of the effects of the approval of the Extraordinary Resolution would be that the Securities (other than the Series 008 Securities) will be exchanged for the Refinancing Bonds and Interest Notes or Distribution Notes with respect to accrued interest or distribution up to the date of the relevant Meeting. Therefore, if the Extraordinary Resolution in respect of a Series of Securities (other than the Series 008 Securities) is passed, Securityholders (other than the Securityholders of the Series 008 Securities) will not receive the Redemption Amount of the Securities (other than the Series 008 Securities) on the applicable original maturity date of such Series. Payment of the Redemption Amount of the Refinancing Bonds will only be due seven years from the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed (in respect of the Refinancing Series A Non-Convertible Bonds), six years from the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed (in respect of the Refinancing Series B Convertible Bonds) and 10 years from the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed (in respect of the Refinancing Series C Non-Convertible Bonds), while payment of the Interest Notes will only be due seven years from date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed and payment of the Distribution Notes will only be due 10 years from the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed.

Accordingly, Securityholders will have to bear the risks associated with holding the Refinancing Bonds for such periods unless the Refinancing Bonds are sold or the holder of such Refinancing Bonds exercises his or her Conversion Right, and holding the Interest Notes or Distribution Notes, as the case may be, for such periods.

Series 008 Securityholders will continue to have to bear the risk associated with investing in the Series 008 Securities in perpetuity if such Securityholder does not elect to receive Refinancing Series C Non-Convertible Bonds, unless the Series 008 Securities are sold or converted, or the Issuer exercises its option to redeem the Series 008 Securities in accordance with the Conditions.

There can be no assurance that there will be a market in the Refinancing Bonds, whether before or after the Consent Solicitation, or that Securityholders will be able to sell their Refinancing Bonds, Series 008 Securities or the Shares to be issued upon exercise of the Conversion Right at a price that will not entail any losses to Securityholders or at all. The Interest Notes and the Distribution Notes will not be listed on any stock or



securities exchange and will be issued in individual certificated form. Accordingly, there may not be any market in such Interest Notes or Distribution Notes.

***Securityholders who do not make any election contained in the Voting Instruction Form by the relevant deadline or at all will automatically receive Refinancing Series B Convertible Bonds (if such holders hold a Series of Securities other than the Series 008 Securities) or continue to hold the proposed amended Series 008 Securities (if such holders hold Series 008 Securities).***

If the Extraordinary Resolution No. 1 of the relevant Series of Securities and the Shareholders' Extraordinary Resolution(s) are passed by the relevant Securityholders and the Shareholders, respectively:

- upon the exercise of the Refinancing Redemption Option with respect to the relevant Series of Securities (other than the Series 008 Securities), the Refinancing Redemption Amount will be payable in the form of Refinancing Series B Convertible Bonds unless such Securityholder elects in the Voting Instruction Form to receive Refinancing Series A Non-Convertible Bonds on or prior to the Expiration Time or, where the Meeting is adjourned for want of a quorum, the Adjournment Instruction Deadline; and
- upon the effective date of the amendments to the Series 008 Securities, such Securityholder shall continue to hold the proposed amended Series 008 Securities unless such Securityholder elects in the Voting Instruction Form to receive Refinancing Series C Non-Convertible Bonds on or prior to the Expiration Time or, where the Meeting is adjourned for want of a quorum, the Adjournment Instruction Deadline.

If a Securityholder of the relevant Series of Securities (other than the Series 008 Securities) wishes to receive Refinancing Series A Non-Convertible Bonds or if a Securityholder of Series 008 Securities wishes to receive Refinancing Series C Non-Convertible Bonds in upon redemption of such Series of Securities (other than the Series 008 Securities) or Series 008 Securities, respectively, such Securityholder must submit a duly completed Voting Instruction Form on or prior to the Expiration Time or, where the Meeting is adjourned for want of a quorum, the Adjournment Instruction Deadline. If such a Securityholder does not submit a duly completed Voting Instruction Form by the relevant deadline or at all, such Securityholder will automatically receive Refinancing Series B Convertible Bonds or continue to hold the proposed amended Series 008 Securities, respectively.

Securityholders who are Beneficial Owners whose Securities are held by a Direct Participant cannot make such election directly by submitting the Voting Instruction Form, but must instruct the broker, dealer, bank, custodian, trust company or other nominee to arrange for such Direct Participant through which they hold Securities to submit the Voting Instruction Form with such election.

***The interest rate on the Refinancing Bonds and the proposed amended distribution rate on the Series 008 Securities will be significantly lower than the current interest rate on the relevant Series of Securities (other than the Series 008 Securities) and the current distribution rate on the Series 008 Securities.***

The existing interest rates and distribution rates applicable to the relevant Series of Securities are as follows:

- Series 003 Securities – 4.7% per annum;
- Series 004 Securities – 4.6% per annum;
- Series 005 Securities – 4.85% per annum;
- Series 006 Securities – 5.1% per annum;

- Series 007 Securities – 4.875% per annum, increasing to 6.875% per annum if not called on 11 June 2018;
- Series 008 Securities – 7.0% per annum, subject to reset every six months from 19 November 2018 to the Swap Offer Rate plus the Initial Spread of 5.54% and the Step-Up Margin of 3.00% per annum.

The interest rate on the Refinancing Series A Non-Convertible Bonds and the Refinancing Series B Convertible Bonds that are intended to be issued in exchange for the relevant Series of Securities (other than the Series 008 Securities) is 0.25% per annum, the interest rate on the Refinancing Series C Non-Convertible Bonds that are intended to be issued in exchange for the Series 008 Securities to those Securityholders who elect to receive Refinancing Series C Non-Convertible Bonds is 0.25% per annum and the proposed amended distribution rate on the Series 008 Securities is 0.25% per annum (with an annual step-up of 1.00% per annum from the Step-Up Date), all of which are significantly lower than the current interest or distribution rates applicable to the Securities. Therefore, Securityholders will receive less interest or distribution on the Refinancing Bonds or the proposed amended Series 008 Securities, as the case may be, than before the Consent Solicitation.

***The effect of the Extraordinary Resolution may be limited or voidable if a winding up application is made subsequent to the consummation of the Consent Solicitation.***

It is possible that creditors of the Issuer or its subsidiaries could commence winding up proceedings against the Issuer or its subsidiaries in Singapore or elsewhere after consummation of the Consent Solicitation, which could result in the consequences described below.

***Singapore.*** Singapore insolvency law allows the liquidator of a debtor to void and seek a “claw-back” of transactions entered into by the debtor under certain circumstances during specified periods prior to a winding up of the debtor (i.e. transfer, mortgage, delivery of goods, payment, execution or other act relating to property made or done by or against the debtor).

- *Transaction at an undervalue* - Where a transaction is entered into by the debtor with another person where the consideration received by the debtor is significantly less than the value of the transaction. To be voidable, the undervalue transaction must be entered into within five years from the date of the winding up application.
- *Unfair preference* - Where a transaction is entered into by the debtor with one of its creditors which has the effect of putting that creditor in a position which, in the event of the debtor’s liquidation, will be better than the position that creditor would have been in if that transaction was not effected. To be voidable, the debtor must be shown to have been influenced by the desire to give the unfair preference, the debtor must be insolvent at the time of the unfair preference or insolvent as a consequence of the unfair preference, and the unfair preference must be given within six months from the date of the winding up application (two years if the recipient is an “associate” as defined by the applicable statutes).

Therefore, on the application of the liquidator or any creditor or contributory of the Issuer in a winding up proceedings, a Singapore court may, if it is satisfied that the affairs of the Issuer have been conducted in a manner which gave rise to an undervalue transaction or an unfair preference, and that it is just and equitable to do so, order the MTN Trustee and/or the Securityholders to pay to the liquidator of the Issuer the whole or part of any payments or consideration received, and an unravelling of the said transaction so as to restore the position that the Issuer would have been in had it not entered into the said transaction.

A floating charge on the undertaking or property of the debtor created within six months of the commencement of a winding up of the debtor shall, unless it is proved that the debtor immediately after the creation of the charge was solvent, be invalid except to the amount of any cash paid to the debtor at the time of or subsequently

to the creation of and in consideration for the charge together with interest on that amount at the rate of 5% per annum.

One of the consequences of a successful Consent Solicitation is that the Securities of the relevant Series (other than the Series 008 Securities) will be, and Series 008 Securities may be (at the election of a Series 008 Securityholder), exchanged for the Refinancing Bonds and the Conditions relating to the Series 008 Securities will be amended. We cannot assure you that the amendments contemplated by the Consent Solicitation will not be deemed by a Singapore court to be a voidable transaction as highlighted above in the event of a subsequent winding up of the Issuer.

**Other jurisdictions.** The insolvency laws of other countries may have similar provisions to those described above that may adversely affect Securityholders.

### **3 Risks Relating to the Group**

***The Issuer has experienced and expects to continue to experience net losses.***

The Group experienced net losses of US\$15.3 million (unaudited) for the six months ended 30 June 2017, and expects to record net losses for the financial year ending 31 December 2017. This is principally because the charter rates and utilisation rates of the Group's vessels are expected to remain depressed for the financial period from 1 July 2017 to 31 December 2017.

In addition, there cannot be any assurance that the Issuer will not incur additional net losses in the future, or that the net loss will not further increase when the audit for the financial statements for the financial year ending 31 December 2017 is completed, or that the Issuer will generate positive cash flow or achieve or sustain profitability in the future. See "Appendix I – Unaudited Financial Statements and Dividend Announcement for the Second Financial Quarter and Six Months Ended 30 June 2017 of Ezion Holdings Limited and its Subsidiaries" for more information on the Issuer's results of operations and financial condition as of and for the six months ended 30 June 2017.

***Values of the Group's assets may fluctuate substantially and any impairment in such values may result in volatility to the Group's business, financial condition, results of operations and prospects.***

The values of the Group's vessels are volatile and may fluctuate substantially over time due to a number of different factors, including, but not limited to:

- (a) supply and demand for similar types of vessels;
- (b) prevailing economic conditions in the markets in which the Group's vessels operate;
- (c) a substantial or extended decline in oil and gas activity;
- (d) competition from other offshore marine companies;
- (e) the age and condition of the Group's vessels;
- (f) increases in the supply of vessels; and
- (g) the cost of retrofitting or modifying existing vessels as a result of technological advances in vessel design or equipment, changes in applicable environmental or other regulations or standards, or otherwise.

These factors could substantially reduce the values of the Group's vessels and put the Group in a position of not being able to otherwise satisfy loan covenants, which may result in adverse liquidity, or other financial or legal

developments, including but not limited to events of default, cross defaults, acceleration of debts and forward-looking enforcement of security over the Group's assets. These factors could also affect the Group's ability to renew or obtain charters as well as the rates it will be able to charge for such charters at the termination of the existing charters and the price of its vessels at the time of sale.

Furthermore, if for any reason, including, but not limited to, the Group's inability to re-charter a vessel at favourable rates at the termination of its charter, the Group elects to dispose one or more vessels, the sale prices of such vessels are expected to reflect prevailing market rates, which could be below the vessels' carrying value. Therefore, the Group's inability to dispose of vessels at reasonable prices could result in losses and have a material adverse effect on its business, financial condition, results of operations and prospects. As a result, the Group's financial condition and results of operations could be volatile.

For example, the Group incurred impairment losses on property, plant and equipment and trade receivables of approximately US\$37.9 million and US\$43.2 million in FY2015, respectively, and approximately US\$45.6 million and US\$25.2 million in FY2016, respectively.

The Group is in the process of assessing the amount of impairment losses on its assets, such as vessels and trade receivables. The assessment of the amount of impairment losses on the Group's assets is a complex exercise which is heavily dependent on management's judgement and estimates of charter rates, utilisation rates, operating expenditure, creditworthiness of counterparties and appropriate discount rates that take into account market rates, and incorporating market, country and asset-specific risk premiums of the Group's assets.

In light of the prevailing economic conditions in the markets in which the Group's vessels operate the management is focusing on sourcing for new prospects to deploy the Group's vessels and negotiating more favourable charter rates for its vessels. These negotiations are ongoing and indicative charter rates and deployment prospects are subject to fluctuations and changes. As the assessment of the amount of impairment losses is heavily dependent on potential charter prospects and indicative charter rates, the Group expects to finalise the assessment of the amount of impairment losses by the end of FY2017. For illustrative purposes, the table below sets out a sensitivity analysis on the adjusted net asset value ("NAV") per Share assuming impairment losses of between US\$500 million and US\$900 million, based on the NAV per Share as at 30 June 2017.

	Assuming Impairment Losses of				
	US\$500 million	US\$600 million	US\$700 million	US\$800 million	US\$900 million
NAV per Share (US\$)	0.6273	0.6273	0.6273	0.6273	0.6273
Adjusted NAV per Share as adjusted for impairment losses (US\$)	0.3862	0.3380	0.2898	0.2416	0.1933
Adjusted NAV per Share as adjusted for impairment losses (S\$ at an assumed exchange rate of US\$1 to S\$1.36)	0.5252	0.4597	0.3941	0.3286	0.2629

*The Issuer expects to be highly leveraged for the next several years and may not be able to generate sufficient cash flows to meet its debt service obligations, including payments under the Securities.*

The Issuer is highly leveraged and has significant short-term liquidity requirements. As of 30 June 2017, the Group had approximately US\$341 million of current interest-bearing borrowings and US\$1,226 million in non-

current interest-bearing borrowings (including the Securities). If the Issuer successfully implements its refinancing pursuant to the Proposal, the Issuer will continue to have substantial indebtedness. In addition, the Issuer may incur additional bank borrowings.

This substantial indebtedness will have important consequences for the Issuer's creditors and shareholders. The Issuer will require substantial cash flow to meet its obligations under the refinanced indebtedness, including the Securities. Therefore, a substantial part of its cash flow from operations will not be available for its business. The Issuer's substantial indebtedness could adversely affect its results of operations and could have important consequences for Securityholders and for the Group, including but not limited to:

- (a) limiting the Group's ability to obtain necessary financing in the future for working capital, capital expenditures, debt service requirements or other purposes;
- (b) requiring a substantial portion of the Group's cash flow from operations to be used for payments on its debt and therefore reducing its ability to reinvest its cash flow from operations in its business;
- (c) limiting the Group's flexibility in planning for, or reacting to changes in its business and its ability to take advantage of future business opportunities;
- (d) placing the Group at a competitive disadvantage to certain of its competitors with less indebtedness or greater resources; and
- (e) limiting the Group's ability to react to changing market conditions, changes in the industries that it does business in or economic downturns.

The occurrence of any one of these events could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects, and its ability to satisfy its obligations under the Securities and any of its other indebtedness.

The Issuer's ability to service its debt will depend on its future performance, which, in turn, depends on the successful implementation of its strategy and on financial, competitive, regulatory, technical and other factors, general economic conditions, demand and selling prices for the Group's services, costs of raw materials and other factors specific to industry or specific projects, many of which are beyond the Issuer's control. The Issuer may not be able to generate sufficient cash flow from operations and future sources of capital may not be available to the Issuer in an amount sufficient to enable it to service its indebtedness, including the Securities, or to fund its other liquidity needs.

If the Issuer is unable to generate sufficient cash flow and capital resources to satisfy its debt obligations or other liquidity needs, it may have to undertake alternative financing plans, which may not be available on commercially reasonable terms or at all. Therefore, the Issuer could face substantial liquidity problems and might be required to dispose of material assets or operations to meet its debt service and other obligations. The Issuer's credit facilities and the MTN Trust Deed relating to the Securities contain restrictions on the Issuer's ability to dispose of assets and the use of the proceeds of such disposition. The Issuer may not be able to consummate any dispositions or the proceeds from such disposition may not be adequate to meet any debt service obligations then due.

***Claims of existing secured creditors of the Group will have priority with respect to their security over the claims of unsecured creditors to the extent of the value of the assets securing such indebtedness.***

Claims of existing secured creditors of the Group will have priority with respect to their security over the claims of unsecured creditors to the extent of the value of the assets securing such indebtedness.

The Securities are unsecured obligations of the Issuer. Claims of the secured creditors of the Issuer will have priority with respect to the assets securing their indebtedness over the claims of Securityholders. Therefore, the

Securities will be effectively subordinated to any secured indebtedness and other secured obligations of the Issuer to the extent of the value of the assets securing such indebtedness or other obligations.

In the event of a foreclosure, winding up, liquidation, judicial management, receivership or other insolvency proceedings of the Issuer, holders of secured indebtedness will continue to have prior claims to the assets of the Group that constitute their collateral. Securityholders will participate on a *pari passu* basis with all other holders of the unsecured indebtedness of the Issuer based on the respective amounts owed to each holder or creditor, in the remaining assets of the Issuer.

If any of the secured indebtedness of the Issuer becomes due or the creditors thereunder proceed against the assets that secure such indebtedness, the Issuer's assets remaining after repayment of that secured indebtedness may not be sufficient to repay all remaining amounts owing in respect of the Securities. As a result, Securityholders may receive less than holders of secured indebtedness of the Issuer.

***Forward looking statements may not be realised.***

This Consent Solicitation Statement contains forward-looking statements that relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These forward-looking statements and information are based on the beliefs of the Issuer's management as well as assumptions made by and information currently available to it. These forward-looking statements may be identified by terms such as "expects", "believes", "plans", "intends", "estimates", "anticipates", "may", "will", "would" and "could" or similar words. However, it should be noted that these words are not the exclusive means of identifying forward-looking statements.

All statements regarding the Issuer's expected financial position, business strategy, debt refinancing, plans and prospects are forward-looking statements. These forward-looking statements, including statements as to:

- (a) the Issuer's future revenue, profitability, results of operations and financial condition;
- (b) the Issuer's ability to attract new investors;
- (c) the Issuer's ability to successfully refinance its outstanding indebtedness and other liabilities;
- (d) the Issuer's ability to continue operations as a going concern;
- (e) the Issuer's plans, objectives or goals, including those related to products or services and those related to cost reductions;
- (f) expected growth in consumer demand, regional capacity and competition;
- (g) other expected industry trends, including trends in the pricing of the Group's services;
- (h) assumptions underlying such statements; and
- (i) other matters of a prospective nature discussed in this Consent Solicitation Statement or in announcements made through SGXNET and press releases relating to the Consent Solicitation,

are only predictions.

By their very nature, forward-looking statements involve known and unknown inherent risks, uncertainties and other factors, both general and specific, that may cause the Issuer's actual results, performance or achievements or events affecting the Group to be materially different from any future results, performance, achievements or events expressed or implied by such forward-looking statements. These risks, uncertainties and other factors include, among others, the following:

- (a) the effects of the refinancing of the Group's indebtedness and other liabilities and obligations on its business and operations;
- (b) actions of creditors and shareholders of the Issuer and its subsidiaries;
- (c) future claims and litigation which may be asserted against the Issuer and its subsidiaries;
- (d) changes in political, social and economic conditions and the regulatory environment in the jurisdictions in which the Group operates;
- (e) terrorist attacks;
- (f) changes in currency exchange rates;
- (g) growth strategies for and the success of the Group's marketing initiatives;
- (h) changes in market prices for the Group's services;
- (i) changes in the availability and prices of consumables that the Group needs to provide its services;
- (j) changes in customer preferences;
- (k) changes in competitive conditions and the Group's ability to compete under these conditions;
- (l) changes in key members of the management team;
- (m) changes in the Group's future capital needs and the availability of financing and capital to fund these needs; and
- (n) other factors beyond the Issuer's control.

It should be noted that the foregoing list of important risks and uncertainties is not exhaustive. Given the risks and uncertainties that may cause the Issuer's actual future results, performance or achievements or events affecting the Issuer to be materially different than expected, expressed or implied by the forward-looking statements in this Consent Solicitation Statement, we advise Securityholders not to place undue reliance on those statements. There is no representation or warranty that the Issuer's actual future results, performance or achievements or expected events affecting the Group will be as discussed in those forward-looking statements. In addition, those forward-looking statements speak only as of the date on which they are made, and the Issuer does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

***The Group's business is largely dependent on the offshore oil and gas industry.***

The Group's business is largely dependent on the offshore oil and gas industry, in particular the level of activities in the exploration, development and production of oil and natural gas. Such activities are affected by factors such as fluctuations in oil and natural gas prices and by other general economic factors, as well as by the expectations of the Group's customers in respect of changes in oil and natural gas prices and the related changes in their capital spending.

The prices of oil and natural gas are volatile and affected by supply and demand. They in turn will affect the level of capital spending by companies in the offshore oil and gas industry. Low oil and natural gas prices tend to reduce the amount of oil and natural gas that producers can produce economically. When this occurs, major oil and gas companies generally reduce their spending budgets for offshore drilling, exploration and development. The decline in the level of activities in the offshore oil and gas industry in the past few years have

resulted in a decrease in demand for the Group's vessels and services. There can be no assurance that any increase in the level of such activities will translate into an increased demand for the Group's vessels and services.

The Group's customers are also affected by the laws, regulations, policies, directives and regulations relating to energy, investment, taxation and such other laws promulgated by the governments of countries from which they will need to obtain licences to engage in the exploration, development and production of oil and gas. The demand for the Group's services and the potential for growth of its business will be affected if its customers cannot obtain the necessary licences to engage in exploration, development and production activities in the relevant areas.

These are factors beyond the control of the Group. As a result, the timing, nature and degree of changes in industry conditions are unpredictable. In addition, there can be no assurance that oil and gas companies will be able to obtain the financing necessary to develop new prospects in the Group's primary operating regions, which would also result in reduced demand for the Group's vessels and services. There can be no assurance that the activity levels of offshore exploration, development and production activity will remain at their current levels or increase. Any prolonged period of low exploration, development and production activity would be likely to have an adverse effect on the Group's business, financial condition, results of operations and prospects.

***The Group's business will be affected by any oversupply of offshore logistics vessels and jack-up rigs in the industry.***

The supply of offshore logistics vessels and jack-up rigs in the industry is affected by the independent assessment of demand for, and supply of, vessels by offshore support operators. Any over-estimation of demand for offshore logistics vessels and jack-up rigs by offshore support operators may result in an excess supply of new vessels. This will result in lower charter rates and depress the market value of the Group's offshore logistics vessels and jack-up rigs, which would in turn adversely affect the Group's business, financial condition, results of operations and prospects.

In addition to an industry-wide decrease in charter rates due to excess supply of new vessels, competitors may also engage in aggressive pricing which will necessitate a corresponding lowering of the Group's charter rates (whether significantly or otherwise) in order for the Group to remain price competitive and secure contracts. This in turn would lower the Group's gross profit margins and cash flow and may result in substantial impairment losses being recognised in the future, which would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***The Group is affected by competition in the offshore chartering industry.***

One of the Group's principal objectives is to own and acquire additional vessels that have in place long-term, fixed rate bareboat charters. The process of obtaining such charters is competitive and involves an intensive bidding and selection process. Competition for charters is based on a variety of factors, which may include:

- (a) charter hire or contract rates;
- (b) relationships with charterers;
- (c) willingness to accept operational risks pursuant to the charter, such as allowing termination for force majeure events; and
- (d) vessel availability and the size, age and condition of the vessel.

Any of these factors could limit the Group's ability to retain existing customers and attract new customers for its vessels, which could in turn adversely affect the Group's business, financial condition, results of operations and prospects.



From time to time, the Group may bid for charter contracts without securing and/or acquiring the requisite vessels prior to bidding. Notwithstanding that the Group may be successful in its bid, should the Group be unable to enter into committed charter contracts due to its inability to secure the requisite vessels when required, or inability to acquire such vessels at competitive prices, this would adversely affect the Group's business, financial condition, results of operations and prospects.

The Group faces competition from a variety of parties, including regional and global offshore oil and gas support companies, many of which are larger and may have greater financial resources than the Group. The Group cannot give assurance that it will be able to continue competing successfully with existing competitors and/or new entrants into the market. These competitors may be able to operate larger fleets, have longer operating histories, offer better charter rates and devote greater resources to the development, promotion and employment of their vessels than the Group. In addition, the entry of new competitors may result in increased competition and higher pressure on margins, which could in turn adversely affect the Group's business, financial condition, results of operations and prospects.

Further, the Group's ability to compete in international markets may also be adversely affected by regulations in the countries where it operates which require, among other things, the awarding of contracts to local contractors, the employment of local citizens and/or the purchase of supplies from local vendors that favour or require local ownership.

If the Group fails to compete successfully with existing competitors and new entrants into the market, the business, financial condition, results of operations and prospects of the Group may be adversely affected.

***The Group's business is subject to fluctuations in charter rates for vessels.***

The Group's charter contracts are for varying periods of time and may extend up to five years. Due to the volatility of charter hire rates, the Group cannot be certain that it will be able to re-charter its vessels at the same or higher rates, or at all, when its existing charters expire. Further, due to the long-term nature of the Group's charters, the Group may be faced with having to re-charter its vessels at the bottom of the pricing cycle. Correspondingly, the Group may not be able to take advantage of charter rates at the peak of the pricing cycle.

Charter rates may also be affected by conditions such as trade, environmental and weather conditions as well as political situations in the countries where the operations of the Group's customers are located. In such an event, the Group's business, financial condition, results of operations and prospects could be adversely affected.

***The Group's business is affected by unanticipated delays in the delivery of new vessels and/or completion of maintenance and repair works for existing vessels.***

The Group outsources the construction of its new vessels to certain shipyards and ship builders. In doing so, the Group is required to expend substantial sums in the form of downpayments and progress payments during the construction of the new vessels, but would not derive any revenue from these vessels until after their delivery. In the event of a delay in the delivery of a new vessel, the Group's receipt of revenue from charter contracts in respect of that vessel would be delayed. Delivery delays can occur as a result of problems with shipbuilders, such as insolvency or force majeure events that are beyond the control of the Group or that of the shipbuilders. Further, the Group may not be able to fulfil charter commitments which it entered into in respect of that vessel, which would expose the Group to penalty payments to, and potential litigation by, the vessel charterer. These would adversely affect the Group's business, financial condition, results of operations and prospects.

The Group also outsources the maintenance and repair works for its existing vessels. In the event of a delay in completion of the maintenance and repair works for its existing vessels, the Group's receipt of revenue from charter contracts in respect of that vessel may be delayed. Further, the Group may not be able to fulfil charter commitments which it has entered into in respect of that vessel, which would expose the Group to penalty

payments to, and potential litigation by, the vessel charterer. These would adversely affect the Group's business, financial condition, results of operations and prospects.

***The Group's future growth may be limited by the capabilities of its vessels.***

The Group's future growth may be limited by the capacity of its vessels in terms of engine horsepower, physical dimensions, type of equipment on board the vessels and ability of the vessels to perform certain tasks. In the event that the capabilities of the Group's vessels are not able to meet the requirements of its existing and potential offshore marine support customers, some of them may charter vessels from the Group's competitors. For the Group's offshore business, the lack of capabilities of its vessels may result in the Group not being able to secure certain contracts for offshore projects. These events may cause the Group to lose some customers, which could have a material adverse effect on its future growth and consequently its business, financial condition, results of operations and prospects.

***The Group's business is affected by political and other risks in countries where the Group operates.***

Wars, unsettled political conditions, social unrest, riots, terrorist attacks and government actions such as possible vessel seizure and import/export restrictions in countries where the Group may operate could potentially affect the ability of the Group's vessels to call on the ports of such countries. Such developments may also affect the ability of the Group's customers to meet their payment obligations to the Group and increase the insurance premium for its operations. This would adversely affect the Group's business, financial condition, results of operations and prospects.

***The vessels deployed in the Group's business are exposed to security threats and piracy.***

The vessels deployed in the Group's business operate in regions in which ships may encounter incidences of security threats such as piracy, terrorist attacks, wars/insurgency and internal strife.

The Group has taken out hull and machinery policies in respect of certain vessels in its fleet that cover damage and/or loss (which are generally up to the hull values of the relevant vessels) to such vessels arising out of such attacks. However, in the event that the Group's vessels are attacked, destroyed or stolen resulting in damage and/or loss to its vessels in excess of the insurance coverage, this may adversely impact the Group's business, financial condition, results of operations and prospects.

***The Group's business is subject to general risks associated with operating businesses outside Singapore.***

There are risks inherent in operating businesses overseas, which include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainties regarding the Group's liability and enforcement, changes in local laws and controls on the repatriation of capital or profits. Any of these risks could adversely affect the Group's overseas operations and consequently, its business, financial condition, results of operations and prospects.

***The Group's ability to borrow in the bank or capital markets may be adversely affected by a financial crisis.***

The Group's ability to borrow in the bank or capital markets to meet its financial requirements is dependent on favourable market conditions. Financial crises in particular geographic regions, industries or economic sectors for example, the United States sub-prime mortgage crisis and the sovereign debt crisis in Europe and the United States, have, in the past, led and could in the future lead to sharp declines in the currencies, stock markets and other asset prices in those geographic regions, industries or economic sectors, in turn threatening affected companies, financial systems and economies.

Any market slowdown may adversely impact the Group's ability to borrow from the bank or capital markets and may significantly increase the costs of such borrowing. If sufficient sources of financing are not available in the

future for these or other reasons, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

In addition, the Group cannot ensure that it will not continue to incur losses in the future, or that it will become profitable, in either case due to a potential increase in its operating and financing costs incurred to finance the Group's growth and expansion or lower than expected increase in revenues. This increase in operating and financing costs without a corresponding increase in turnover will have a negative impact on the Group's results of operations. In the event that any of the above events materialize, the Group's business, financial condition, results of operations and prospects will be adversely affected.

***The Group's business is affected by the inherent risks associated with marine operations.***

The operations of the Group's vessels are exposed to inherent risks of marine disasters such as oil spills, damage to and/or loss of vessels and cargo sustained in collisions, property loss, interruptions to operations caused by adverse weather conditions and mechanical failures.

In the event of an oil spill, the Group may incur liability for containment, clean-up and salvage costs and other damages that may arise as a result. The Group may also be liable for damages sustained in collisions and wreck removal charges arising from the operations of its vessels.

The Group's vessels may be involved in accidents, resulting in damage to or loss of vessels, equipment or cargo for which the Group may be exposed to claims from third parties. Any of such events will result in a reduction in turnover or increased costs. Further, although the Group's protection and indemnity insurance insures it against the risks of oil spills, damage to and/or loss of vessels as well as equipment and offshore structures which are carried onboard its vessels sustained in collisions, there can be no assurance that all risks can be adequately insured against or that any insured sum will be paid. In the event of damages or losses in excess of the insurance coverage taken up, the Group may be required to make material compensation payments. This would adversely affect the Group's business, financial condition, results of operations and prospects.

***The Group's business is exposed to potential liability arising from any damage, injury or death resulting from accidents or other causes.***

Due to the nature of the offshore support service operations, the Group may be subject to the risk of accidents occurring either to its employees or to third parties who may be involved in accidents while on its premises or vessels. These accidents may occur as a result of fire, explosions or other incidents which may result in injury to persons, death or damage to property or vessels. The Group may be liable, whether contractually or under the law, for any or all of such loss or damage or injury to or loss of life. In addition, it may be liable for substantial fines and penalties imposed by the authorities of the relevant jurisdictions. Any of such events will disrupt the Group's business and lead to a reduction in revenue and profits and to increased costs of operations. The Group customarily obtains insurance for hull and machinery, war risk, protection and indemnity and mortgagee interest for its assets, which typically cover, inter alia, the hull value and/or acquisition cost of these assets. In the event of an accident that is not covered by its insurance policies or the claims of which are in excess of its insurance coverage or are contested by the insurance companies, the Group's business, financial condition, results of operations and prospects will be adversely affected.

***The Group's vessels are susceptible to natural disasters.***

The Group's vessels are subject to weather and environmental conditions. Adverse changes in weather and environmental conditions, such as the occurrence of typhoons, tsunamis and earthquakes in the areas where the Group operates may cause damage to its vessels.

Damage to the Group's vessels caused by natural disasters will result in downtime of its vessels as its vessels will have to be sent for extensive servicing or repairs instead of being utilised for its operations. The Group's

operations may experience disruption if there is a significant downtime in any of its vessels when it is operating at or close to maximum capacity. This may have an adverse impact on its business, financial condition, results of operations and prospects.

***Maritime claimants could arrest the Group's vessels, which could interrupt its cash flow and cause a material adverse effect on its business, financial condition, results of operations and prospects.***

The Group's vessels are chartered by customers operating in various countries and are governed by the applicable laws of these jurisdictions. Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to maritime liens against that vessel (and, in some jurisdictions, any associated vessel owned or controlled by the same owner) for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lienholder may enforce its lien by arresting a vessel and commencing foreclosure proceedings. This would apply even if vessels in the Group's fleet of vessels are chartered out (whether on a bareboat charter basis or otherwise). The arrest or attachment of one or more of the Group's vessels could result in the Group paying a substantial sum of money to have the arrest lifted if the lessee of the relevant vessel does not do so. In this respect, unless the Group takes timely actions to intervene in these proceedings, the Group's business, financial condition, results of operations and prospects may be adversely affected.

***Due to the capital intensive nature of the Group's business, the Group may incur substantial capital expenditures in order to expand its fleet and maintain its vessels, and the Group may experience limited availability of funds and/or face difficulties financing these capital expenditures.***

The Group's business is capital intensive in nature and the Group may require additional financing for the funding of working capital requirements, the refinancing of existing debt obligations or for the expansion and development of the Group's business or for the modification of its existing fleet in order to maximize the utilization rate. Capital expenditures are also required in order to maintain the operational quality of the Group's vessels. These expenditures increase with the age of the vessels and include costs of repairs, surveys, drydocking vessels and modifying vessels in order to maintain or increase the operating capacity of the fleet of the Group.

The Group's vessels are drydocked periodically for repairs and maintenance. Vessels may also need to be drydocked in the event of accidents or other unforeseen damage. The capital expenditures of the Group for repairs and maintenance may increase as a result of a variety of factors, including:-

- (a) increases in the cost of labour, materials and spare parts;
- (b) changes in customer requirements;
- (c) increase in the size of the fleet of the Group;
- (d) cost of replacement vessels;
- (e) changes in technical developments for chartered vessels;
- (f) defects and deficiencies of the Group's vessels;
- (g) changes in governmental regulations and maritime self-regulatory organisation standards relating to safety, security or the environment; and
- (h) changes in the quality of competitor vessels.

Such increases in capital expenditures for repairs and maintenance may reduce the repairs and maintenance work which the Group can afford to carry out on the vessel which may, in turn, restrict the types of operations which the Group's vessels may carry out. There can be no assurance that the Group's vessels will not require

extensive repairs, which would result in significant expense and extended periods of downtime, or that the Group would have sufficient funds or working capital to finance the necessary repairs. In addition, given such capital expenditures, the Group cannot guarantee that, as its vessels age, the Group will be able to operate its vessels profitably during the remainder of their useful lives. Should the Group choose to sell certain vessels, the Group cannot be certain that the price at which such vessels are sold will not be less than their book value.

There is no assurance that the Group would be able to procure such future financing as may be required, either on a short term or long term basis, or that the Group would be able to obtain subsequent financing on terms that are as attractive as its previous financing, or at all. In addition, the terms of any other indebtedness incurred by the Group may restrict its ability to incur additional debt. Factors that could affect the Group's ability to procure financing include market disruption, interest rates and availability of funding sources. Failure to obtain financing on a timely basis, or at all, may cause the Group to forfeit or forgo various business opportunities, which in turn will limit its expansion and growth and consequently affect the Group's ability to compete in its industry, hence adversely affecting the Group's business, financial condition, results of operations and prospects. Failure to obtain financing on attractive terms may result in increased financing costs and may adversely affect the Group's business, financial condition, results of operations and prospects.

***The Group's charter contracts may be terminated upon the occurrence of certain events and the Group may not be able to re-deploy the vessels under the terminated charter contracts promptly, if at all, and/or on terms that are as attractive as the previous charter contracts.***

The Group's charter contracts are for varying periods of time and may extend up to five years. Such charter contracts may however be terminated upon the occurrence of certain events, such as non-performance by the Group, events of force majeure, loss or seizure of the vessel, unavailability of the vessel due to various reasons such as confiscation or requisition by the government of the state under which the vessel is registered, cessation or abandonment of drilling operations by the charterer or upon notice of termination being given by the charterer in accordance with the relevant charter contract. Further, the charter rates payable under the charter contracts may be reduced or suspended due to various reasons such as work stoppage by the officers or crew members of the vessel, breakdown of machinery, breakdown of hull or other accidents to the vessel or any other reasons which render the vessel unavailable for deployment for specified periods of time.

The termination of existing charter contracts or reduction/suspension of contracted charter rates will reduce the Group's revenue and have an adverse effect on the Group's business, financial condition, results of operations and prospects. The Group's financial performance and financial condition would also be adversely affected if it is not able to re-deploy its vessels for a period of time, if at all, upon termination of existing charter contracts, if there are protracted negotiations over the terms of the charter contracts, or if the charter contracts are renewed on less favourable terms.

***The Group's business is exposed to risks arising from foreign exchange fluctuations.***

A significant portion of the revenue from the Group's business is and will be derived from charter fees which are denominated in US dollars, Indonesian rupiah and Euro whereas a significant portion of the operating costs will be denominated in Singapore dollars. As such, the Group has a net foreign exchange exposure due to mismatch in the currencies of receipts and payments. To the extent of any mismatch, any significant depreciation in the US dollar against these currencies arising from time differences due to credit terms given by the Group's suppliers and to its customers or bank borrowings, would result in it incurring foreign exchange losses. For example, profits derived from sales in US dollars would be lower in these currencies should there be any depreciation in the exchange rate of US dollars against these currencies. Hence, the Group's business is and will be exposed to material fluctuations in the US dollar to Singapore dollar and the Indonesian rupiah to Singapore dollar exchange rates, which may affect its operating results. To the extent that the Group is unable to successfully hedge its foreign currency exposure, its business, financial condition, results of operations and prospects could be adversely affected.

As the Group's books of accounts and records are recorded in US dollars any fluctuations in currency exchange rates will also result in translation gains or losses on consolidation. Any transaction gains or losses will be recorded as translation reserves or deficits as part of shareholder's equity.

***The Group's business may be affected by disputes with its joint venture partners.***

In the course of the Group's business, the Group has collaborated and intends to continue to collaborate with joint venture partners for various projects (whether on an ad hoc or recurring basis), such collaborations being entered into and formalised by way of written contracts. From time to time, disputes may arise between the Group and its joint venture partners for various reasons, including disputes over project, material and/or contract specifications. In the event disputes between the Group and any of its joint venture partners arise and such disputes cannot be satisfactorily and amicably resolved, the Group may be the subject of legal or arbitration proceedings and the Group would be required to incur costs in defending such actions. The Group would also be unable to continue its collaborations with such joint venture partner which in turn may affect the Group's business, financial condition, results of operations and prospects.

***The Group's business may be affected by infectious communicable diseases***

Typically, the crew whom the Group hires to operate its vessels in the course of providing offshore marine support services are engaged on a contractual basis and may have travelled or worked in other areas prior to deployment upon the Group's vessels. If any one of these crew members is suspected to have contracted or contracts infectious communicable diseases such as the Severe Acute Respiratory Syndrome, the entire crew on the relevant vessel may have to be quarantined for an indeterminate period. This will disrupt the operations of the relevant vessel, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. In addition, the onshore staff may also be affected by such infectious communicable diseases which may result in a disruption of the Group's business.

***The Group's business depends on adequate insurance coverage.***

The Directors have observed that recent years have witnessed heightened security threats in the countries and regions where the customers of the Group's business operate. Any deterioration of the security conditions in the countries or regions where the Group's customers operate may lead to withdrawal by insurers from providing insurance coverage, which in turn may lead to the Group and/or the Group's customers being unable to secure adequate insurance coverage. An inability to secure adequate insurance coverage for the Group's vessels by the Group and/or the Group's customers may result in the Group being unable to charter out its vessels, disrupting the Group's business and adversely affecting the Group's business, financial condition, results of operations and prospects.

***The Group's business will be dependent on key personnel for its operations and profitability.***

The success of the business will be dependent on the commitment of its key management personnel comprising the Group's Executive Director and Chief Executive Officer, Mr Chew Thiam Keng, and key executives, namely, the Chief Operating Officer, Mr Lee Kon Meng, Peter, the Group Chief Financial Officer, Mr Cheah Boon Pin, the Chief Business Development Officer, Mr Poh Leong Ching, David, the Chief Corporate Development Officer, Mr Lawrence Chan, the Group Human Resources Director, Mr Tan Kim Kwang, the Director, Fleet Services, Mr Derek Koh, the Deputy Chief Information Officer, Mr Ye Min, and the Head, Corporate Finance, Mr Alan Chong, and the Group's ability to identify, recruit, train and retain qualified employees for technical, marketing and managerial positions. The competition for such employees is likely to be intense, and the loss of the services of one or more of these individuals without adequate replacements or the inability to attract new qualified personnel at a reasonable cost would have a material adverse effect on the Group. There is no assurance that the Group will be able to retain its key management personnel nor does it have any key man insurance coverage. The loss of the Group's key management personnel without suitable and

timely replacements will have an adverse impact on the Group's business, financial condition, results of operations and prospects.

***The Group's business may be exposed to variation in interest rates.***

As at 30 June 2017, the Group has total bank borrowings amounting to approximately US\$1,059 million. In addition, it has provided corporate guarantees to loans undertaken by joint venture companies amounting to approximately US\$281 million. The Issuer expects the Group's working capital requirements to be met, *inter alia*, by the Group incurring additional bank borrowings of up to US\$100 million. The interest rates for such borrowings are principally pegged to the lenders' cost of funds, usually the London Interbank Offered Rate ("LIBOR"). Any significant increase in interest rates due to an increase in the lenders' cost of funds would adversely affect the Group's business, financial condition, results of operations and prospects.

***The Group may experience limited availability of funds.***

The Group may require additional financing to fund working capital requirements, to support the future growth of its business and/or to refinance existing debt obligations. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to the Group. Factors that could affect the Group's ability to procure financing include market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources. In addition, further consolidation in the banking industry in Singapore and/or elsewhere in Asia may also reduce the availability of credit as the merged banks seek to reduce their combined exposure to one company or sector.

***The Group is exposed to credit risks and risks arising from credit terms extended to its customers.***

The Group's business will be exposed to payment delays and/or defaults by customers who are granted credit terms. Generally, the charter fees under the Group's current charter contracts are payable with credit terms of between one and sixty days. The Group's business is exposed to credit risks due to the inherent uncertainties in the customers' business environment. Such risks include political, social, legal, economic and foreign exchange risks, as well as those arising from unforeseen events or circumstances. There is hence no guarantee on the timeliness of the customers' payments or whether they will be able to fulfill their payment obligations. Any inability on the part of the Group's customers to promptly settle the amounts due to the Group for work done and/or services rendered may have an adverse effect on the Group's business, financial condition, results of operations and prospects.

***The Group is subject to various international conventions governing the shipping industry.***

The Group is subject to various conventions under the International Maritime Organisation ("IMO"). Compliance with such conventions adds to the Group's cost of operations. From time to time, the IMO may adopt new conventions which the Group's vessels need to comply with. If such conventions become more stringent in the future and/or additional compliance procedures are introduced, the Group's cost of operations may increase. If the Group is unable to comply with such conventions, the Group may not be allowed to operate its vessels. This will adversely affect the Group's business, financial condition, results of operations and prospects.

***The Group is subject to appraisal and certification standards issued by independent certification authorities.***

Pursuant to the International Safety Management Code (the "ISM Code"), companies which have complied with the requirements of the ISM Code are issued with a document of compliance by the relevant government authorities of the jurisdictions in which their vessels are registered. The Group's vessels are also subject to assessment by independent certification organisations for compliance with the requirements of international conventions for the prevention of pollution from ships.

The relevant authorities and certification organisations have the right to conduct inspections of the Group's vessels to ensure that the Group continues to comply with the relevant standards. Any material failure to comply with the standards or any changes in the standards which are implemented from time to time may cause the Group's certifications to be withdrawn. The Group's customers in the offshore oil and gas industry typically require the vessels which the Group provides to bear certain certifications. If the certifications are withdrawn, the Group would not be able to meet the requirements of its customers. This will adversely affect the Group's business, financial condition, results of operations and prospects.

***If the Court decides that the put option applies to the Series 009 Securities, the Securityholders of the amended Series 007 Securities, which contains a similar put option provision, may also require the Issuer to purchase the Series 007 Securities.***

On 16 October 2017, the Issuer was served with an originating summons issued by the High Court of the Republic of Singapore (the "**Originating Summons**"), taken out by a holder of the Series 009 Securities against the Issuer. The Originating Summons seeks a court declaration the Shares have "ceased to be traded on the SGX-ST within the meaning of Condition 6(i) of the terms and conditions of the Notes, as added by Clause 5 of the Pricing Supplement for the Notes" pursuant to the Issuer's request for the Shares to be suspended from trading as announced by the Issuer in an announcement dated 14 August 2017. The Series 009 Securities have the benefit of a committed loan provided by a Singapore bank to the Issuer, so that if the Issuer is required to redeem such Series 009 Securities and does not make payment for such redemption, the Singapore bank is expressed to be provided to draw upon the committed loan facility to make any payment due upon the redemption of the Series 009 Securities.

The terms and conditions of the Series 007 Securities contain a similar provision, but the Series 007 Securities are not backed by any loan. Therefore, if the Court decides in favour of the plaintiff and Securityholders exercise their put option in connection with the Series 007 Securities, the Issuer will likely not have sufficient cash to redeem all of such Series 007 Securities in connection to which such put option is exercised together with any interest accrued thereon. Therefore, a Securityholder of the Series 007 Securities will likely not receive the redemption amount with respect to such Securities and cause the occurrence of a cross default under the Securities.

***The Group is subject to the laws and regulations of the jurisdictions in which its vessels are registered and the countries in which its vessels operate.***

Some of the Group's vessels are registered outside Singapore. Some of the jurisdictions in which the Group's vessels are registered and some of the countries in which the Group's vessels operate have laws and regulations which the Group is required to comply with and may require the Group to apply for licences or operate under laws and regulations that may impose onerous conditions on the conduct of its operations.

If the Group is unable to comply with the relevant laws and regulations, its vessels may not be allowed to operate and the Group's business would be adversely affected. The need to comply with new laws and regulations introduced by the jurisdictions in which the vessels are registered may increase its cost of operations. This will have an adverse effect on the Group's business, financial condition, results of operations and prospects.

***The Group may be affected by changes in the current tax law in Singapore which is applicable to income from its vessels registered under the Singapore flag.***

Pursuant to Section 13A of the ITA, income derived by Singapore incorporated companies from the operation (including charter) of Singapore registered ships outside the limits of the ports of Singapore is exempted from income tax in Singapore. Any changes in the current tax law in Singapore applicable to the taxation of shipping income may adversely affect the amount of income tax payable by the Group and may have an adverse impact on its business, financial condition, results of operations and prospects.



***The Group is subject to various international and local environmental protection laws and regulations.***

The Group's vessels and its operations are subject to various international and local environmental protection laws and regulations in the jurisdictions in which it operates. Such laws and regulations are becoming increasingly complex and stringent and compliance may become increasingly difficult and costly.

Some of these laws and regulations may expose the Group to liability for the conduct of or conditions caused by others, or for the Group's acts, even if such acts had complied with all applicable laws at the time of performance, and the Group may be required to pay significant fines and penalties for noncompliance. Some environmental laws impose joint and several "strict liability" for cleaning up spills and releases of oil and hazardous substances, regardless of whether the Group was negligent or at fault.

Environmental protection laws and regulations may also have the effect of curtailing offshore exploration, development and production activities by the Group's customers. This would reduce the demand for the Group's services, which would have an adverse impact on the Group's business, financial condition, results of operations and prospects.

#### **4 Risks Relating to the Refinancing Bonds, the Interest Notes, the Distribution Notes, the Warrants (2018-Securityholders) and the Shares**

***Holders of the Refinancing Series B Convertible Bonds, the Warrants (2018-Securityholders) and the amended Series 008 Securities will bear the risk of fluctuations in the price of Shares.***

The market price of the Refinancing Series B Convertible Bonds, the Warrants (2018-Securityholders) and the amended Series 008 Securities at any time will be affected by fluctuations in the price of Shares. It is impossible to predict whether the price of Shares will rise or fall. Trading prices of Shares will be influenced by, among other things, the Group's business, financial condition, results of operations and prospects and political, economic, financial and other factors that can affect the markets in which Shares are traded and industry in which the Group operates. Any decline in the price of Shares would adversely affect the secondary market price of the Refinancing Series B Convertible Bonds, the Warrants (2018-Securityholders) and the amended Series 008 Securities.

***Holders of the Refinancing Series B Convertible Bonds and the amended Series 008 Securities will have no rights as holders of Shares until the Refinancing Series B Convertible Bonds and the amended Series 008 Securities are converted or the Warrants (2018-Securityholders) exercised and the Shares issued.***

Unless the holders of the Refinancing Series B Convertible Bonds, the amended Series 008 Securities and the Warrants (2018-Securityholders) acquire Shares upon conversion of the Refinancing Series B Convertible Bonds, the amended Series 008 Securities or exercise of the Warrants (2018-Securityholders), and until such Shares are registered in their names, the holders of the Refinancing Series B Convertible Bonds, the amended Series 008 Securities and the Warrants (2018-Securityholders) will have no rights with respect to Shares, including any voting rights or rights to receive any regular dividends or other distributions with respect to the Shares. If the Refinancing Series B Convertible Bonds, the amended Series 008 Securities and the Warrants (2018-Securityholders) are converted or exercised, as the case may be, holders will be entitled to exercise the rights of holders of Shares only as to actions for which the applicable record date occurs after the Conversion Date or exercise date of the Warrants (2018-Securityholders).

***The Conversion Price of the Refinancing Series B Convertible Bonds and the amended Series 008 Securities will be reset every six months, which may result in multiple increases in the Conversion Price.***

The Conversion Price of the Refinancing Series B Convertible Bonds and the amended Series 008 Securities will be reset every six months on each Conversion Price Reset Date based on the six-month volume weighted average price of the Shares immediately prior to the Conversion Price Reset Date, subject to the Minimum

Conversion Price. The reset Conversion Price may be lower or higher than the Conversion Price in effect immediately prior to each Conversion Price Reset Date. If the reset Conversion Price is higher, holders of the Refinancing Series B Convertible Bonds and amended Series 008 Securities will receive fewer Shares upon conversion of every S\$50,000 in principal amount of such Refinancing Series B Convertible Bonds and amended Series 008 Securities on or after the relevant Conversion Price Reset Date than if they had exercised such conversion prior to such Conversion Price Reset Date. See “Illustrations – Illustration 3: Number of Shares Received Upon Exercise of Conversion Rights” for an illustration of the impact of a Conversion Price reset.

***The Conversion Period of the Refinancing Series B Convertible Bonds is limited to a period of five years from the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed, the Conversion Period of the amended Series 008 Securities is limited to a period of four years from such date and the exercise period for the Warrants (2018-Securityholders) is limited to 24 months from the issue date of the Refinancing Series B Convertible Bonds.***

The Conversion Right attributable to the Refinancing Series B Convertible Bonds and the amended Series 008 Securities is only exercisable during the Conversion Period, which expires five years from the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed and four years from such date. The Warrants (2018-Securityholders) are only exercisable for up to 24 months from the issue date of the Refinancing Series B Convertible Bonds. The Conversion Period and such exercise period will not be extended past its expiry date.

Under the terms of the Refinancing Bonds Trust Deed, the Conditions of the Refinancing Series B Convertible Bonds, the MTN Trust Deed and the amended Conditions of the Series 008 Securities, a duly completed conversion notice must be received by the Issuer during the Conversion Period, but the conversion notice will only be deemed to be received by the Issuer on the business day after the relevant agent receives such conversion notice. Therefore, holders exercising their conversion rights must ensure that they submit duly completed conversion notices to the relevant agent at least one business day prior to the expiry of the relevant Conversion Period. If the last date of the Conversion Period is not a business day, then the last date to exercise the Conversion Right is the business day prior to such date, and holders must submit duly completed conversion notices to the relevant agent at least two business days prior to such date. There are similar provisions in the deed poll constituting the Warrants (2018-Securityholders).

***There are limitations on the ability to exercise conversion or exercise rights.***

The Refinancing Series B Convertible Bonds and the amended Series 008 Securities are convertible into Shares at the option of a holder of the Refinancing Series B Convertible Bonds and the amended Series 008 Securities pursuant to the terms and conditions of the Refinancing Series B Convertible Bonds and the amended Series 008 Securities. A holder of the Refinancing Series B Convertible Bonds or the amended Series 008 Securities will be able to exercise his conversion right only within the conversion period specified in the terms and conditions of the Refinancing Series B Convertible Bonds and the amended Series 008 Securities and will not be able to exercise his conversion right during the closed conversion periods. Such conversion period will expire five years from the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed (in relation to the Refinancing Series B Convertible Bonds) and four years after such date (in relation to the Series 008 Securities). The ability of a holder of the Refinancing Series B Convertible Bonds and the amended Series 008 Securities to exercise conversion rights will be restricted during these periods. There are similar provisions in the deed poll constituting the Warrants (2018-Securityholders).

***Holders converting the Refinancing Series B Convertible Bonds or the Series 008 Securities into Shares or exercising the Warrants (2018-Securityholders) may experience substantive dilution in the future and the sale or possible sale of a substantial number of Shares in the public market could adversely affect the price of the Shares.***

If no Refinancing Series A Non-Convertible Bonds and no Refinancing Series C Non-Convertible Bonds are issued, and all of the Refinancing Series B Convertible Bonds and all of the amended Series 008 Securities are converted at the Discounted Conversion Price of S\$0.2487 per Share during the Early Conversion Period, Securityholders will hold approximately 34.9% of the total enlarged share capital of the Issuer, based on the existing share capital of the Issuer as of the Latest Practicable Date and assuming the existing 355 million Warrants (2016) are exercised in full.

The Issuer plans to issue up to 1,244 million Warrants (2018-Shareholders) to its existing Shareholders and up to 575 million Warrants (2018-Securityholders) to holders of Refinancing Series B Convertible Bonds or amended Series 008 Securities who exercise their conversion rights early as part of the Refinancing. The exercise of such warrants in full will result in the holders thereof owning 18.8% and 8.7%, respectively, of the total enlarged share capital of the Issuer. In addition, the Issuer may also issue new Shares to potential strategic investors at a discount to the Minimum Conversion Price of the Refinancing Series B Convertible Bonds and the amended Series 008 Securities, involving an investment amount that may be up to US\$1 billion, as well as issue Warrants (2018-Lenders) to those secured lenders who elect for this option under the Refinancing. Such issuance of Warrants (2018-Shareholders) and Warrants (2018-Securityholders), the Shares to be issued upon exercise of the Warrants (2018-Shareholders) and Warrants (2018-Securityholders) and the issue of new Shares to the potential strategic investors will not result in any adjustment to the conversion price of the Refinancing Series B Convertible Bonds or the amended Series 008 Securities. As a result, Securityholders converting the Refinancing Series B Convertible Bonds or the amended Series 008 Securities into Shares may experience substantial dilution in the future.

In addition, the sale of a significant number of the Issuer's Shares in the public market after the completion of the Refinancing, or the perception that such sales may occur, could cause the price of the Shares to fall, and Shareholders could lose part or all of their investment in the Shares. The sale of a large number of Shares could also make it more difficult for the Issuer to offer Shares in the future at a time and price that the Issuer deems appropriate.

***The Issuer may not be able to pay dividends in the future.***

The Issuer may not be able to pay dividends in the future if it is unable to successfully implement its strategies or if there are adverse developments to its business as a result of competitive, regulatory, general economic conditions, demand and other factors specific to its industry, many of which are beyond its control. For more information on the Issuer's strategy, see "Appendix D – Company Information Memorandum – Business Outlook, Strategy and Future Plans – Strategy and Future Plans".

Any future determination as to the declaration and payment of dividends will be at the discretion of the Issuer's board of directors and will depend on factors that the Issuer's board of directors deems relevant, including (among others) the business, financial condition, cash requirements, results of operations, prospects and financing arrangements of the Group.

The Issuer is a holding company and its investments in its operating subsidiaries, joint ventures and associated companies constitute substantially all of its assets. The Issuer does not have significant independent operations, and operates its business primarily through such subsidiaries, joint ventures and associated companies. Therefore, the availability of funds to the Issuer to pay dividends to Shareholders depends on dividends received from these subsidiaries, joint ventures and associated companies. The ability of such subsidiaries, joint ventures and associated companies to pay dividends or make other advances or transfers of funds will depend on their respective results of operations and may be restricted by, among other things, the availability of funds, the terms

of the various credit arrangements entered into, as well as statutory and other legal restrictions of the respective jurisdictions of incorporation or establishment of these entities. For example, the Issuer may not pay dividends if any distribution is deferred under the terms of the Series 008 Securities.

Under Singapore law and the Issuer's constitution, all dividends must be paid out of the Issuer's profits available for distribution. The availability of profits is assessed on the basis of the standalone financial statements of the Issuer, and not from the Issuer's consolidated financial statements. The Issuer currently has accumulated losses in its standalone balance sheet as of 30 June 2017 and the Issuer expects to record accumulated losses in its standalone balance sheet as of 30 September 2017 and 31 December 2017.

***There may not be an active or liquid market for the Refinancing Bonds, the Interest Notes, the Distribution Notes, the Warrants (2018-Securityholders) or the Shares.***

The Refinancing Bonds, the Warrants (2018-Securityholders), the Interest Notes and the Distribution Notes may have no established trading market when issued, and one may never develop. The Interest Notes and the Distribution Notes will not be, and the Warrants (2018-Securityholders) will initially not be (and may never be), listed on any stock or securities exchange. There can be no assurance as to the liquidity of any market that may develop for the Refinancing Bonds and the Series 008 Securities, an investor's ability to sell its Refinancing Bonds and Series 008 Securities or the prices at which it would be able to sell its Refinancing Bonds and Series 008 Securities. The Refinancing Bonds and the Series 008 Securities could trade at prices that may be lower than their initial offering price depending on many factors, including prevailing interest rates, the Group's financial condition and results of operations and the market for similar securities. The Issuer does not have any obligation to make a market in the Refinancing Bonds and the Series 008 Securities. In addition, the market for debt securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Refinancing Bonds and the Series 008 Securities. There can be no assurance that the markets for the Refinancing Bonds and the Series 008 Securities, if any, will not be subject to similar disruptions. Any disruptions in these markets may have a material adverse effect on your investment in the Refinancing Bonds and the Series 008 Securities.

An active public market for the Shares may not be sustained. The Issuer cannot assure you that the trading market for the Shares will develop further or that there will be continued liquidity of that market for the Shares. Although it is currently intended that the Shares will remain listed on the SGX-ST, there is no guarantee of the continued listing of the Shares. For example, the Issuer may not continue to satisfy the listing requirements for listed companies. A failure to maintain the Issuer's listing on the SGX-ST, or other securities markets, could adversely affect the market value of the Shares.

The Interest Notes and the Distribution Notes will not be, and the Warrants (2018-Securityholders) will initially not be (and may never be), listed on any stock or securities exchange. While the Warrants (2018-Securityholders) are transferable, the Interest Notes and Distribution Notes are not transferable. Accordingly, it may be difficult for holders of Warrants (2018-Securityholders) to sell their Warrants (2018-Securityholders).

***The market price of the Refinancing Bonds, the Series 008 Securities and the Shares may decline after this Consent Solicitation.***

The trading price of the Refinancing Bonds, the Series 008 Securities and the Shares will depend on many factors, including:

- the perceived prospects of the Group's business and the offshore vessel market;
- differences between the Group's actual financial and operating results and those expected by prospective investors and analysts;
- changes in analysts' recommendations or projections;

- changes in general economic or market conditions;
- the market value of the Group's assets;
- the perceived attractiveness of the Shares against those of other equity or debt securities, including those not in the offshore vessel industry;
- the balance between buyers and sellers of the Shares;
- the future size and liquidity of the Singapore stock market;
- any future changes to the regulatory system, including the tax system, both generally and specifically in relation to Singapore companies;
- the ability on the Issuer's part to implement successfully the Group's investment and growth strategies;
- foreign exchange rates; and
- broad market fluctuations, including weakness of the equity market and increases in interest rates.

For these reasons, among others, the Refinancing Bonds and the Series 008 Securities may trade at prices that are higher or lower than their principal amount outstanding, and Shares may trade at prices that are higher or lower than the net asset value per Share. In addition, to the extent that the Issuer retains operating cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of the Issuer's underlying assets, may not correspondingly increase the market price of the Shares. Any failure on the Issuer's part to meet market expectations with regard to future earnings and cash distributions may adversely affect the market price for the Refinancing Bonds, the Series 008 Securities and the Shares. The Refinancing Bonds, the Series 008 Securities and the Shares are not capital-safe products and, if the market price of the Refinancing Bonds, the Series 008 Securities and the Shares declines, there is no guarantee that holders of the Refinancing Bonds and Series 008 Securities and Shareholders can regain the amount originally invested. If the Issuer is terminated or liquidated, it is possible that investors may lose all or a part of their investment in the Refinancing Bonds, the Series 008 Securities and the Shares. In addition, the SGX-ST and other securities markets have from time to time experienced significant price and volume fluctuations that are not related to the operating performance of any particular company. These fluctuations may also materially and adversely affect the market price of the Refinancing Bonds, the Series 008 Securities and the Shares.

***Singapore laws contain provisions that could discourage a take-over of the Issuer.***

The Singapore Code on Take-overs and Mergers and Sections 138, 139 and 140 of the SFA (collectively, the "Singapore Take-over Provisions") contain certain provisions that may delay, deter or prevent a future take-over or change in control of the Issuer. Under the Singapore Take-over Provisions, any person acquiring an interest, either individually or with parties acting in concert, in 30% or more of the voting rights in the Issuer, may be required to extend a take-over offer for the Issuer's remaining voting rights in the Issuer in accordance with the Singapore Take-over Provisions. A take-over offer may also be required to be made if a person holding between 30% and 50% (both inclusive) of the voting rights in the Issuer, either individually or in concert, acquires an additional 1% of the voting rights in the Issuer in any six-month period. While the Singapore Take-over Provisions seek to ensure an equality of treatment among Shareholders, its provisions may discourage or prevent certain types of transactions involving an actual or threatened change of control of the Issuer that may benefit Shareholders and, as a result, may adversely affect the market price of the Shares and the ability to realise any potential benefit from a potential change of control.

***Foreign Shareholders may not be permitted to participate in future rights issues by the Issuer.***

If the Issuer offers to its Shareholders rights to subscribe for additional Shares or any right of any other nature, it will have discretion as to the procedure to be followed in making the rights available to its Shareholders or in disposing of the rights for the benefit of its Shareholders and making the net proceeds available to its Shareholders. For example, the Issuer may, in its absolute discretion, elect not to extend an offer of Shares under a rights issue to those Shareholders whose addresses are outside Singapore. The rights or entitlements to the Shares to which such Shareholders would have been entitled will be offered for sale and sold in such manner, at such price and on such other terms and conditions as the Issuer may determine. The proceeds of any such sale, if successful, will be paid to Shareholders whose rights or entitlements have been thus sold. The shareholding of the relevant Shareholder in the Issuer may be diluted as a result of such sale.

***The Refinancing Bonds, the Interest Notes and the Distribution Notes will not be qualifying debt securities for the purposes of the Income Tax Act and income from the Refinancing Bonds, the Interest Notes and the Distribution Notes will not benefit from the taxation advantages enjoyed by qualifying debt securities under the Income Tax Act***

The Income Tax Act provides certain taxation advantages for qualifying income from qualifying debt securities. Such taxation advantages include but are not limited to: qualifying income derived by certain holders who are not resident in Singapore is exempt from Singapore tax, qualifying income derived by certain corporate bodies is subject to income tax taxation at a concessionary rate, and payments of qualifying income are not subject to withholding of tax by the Issuer. As the Refinancing Bonds, the Interest Notes and the Distribution Notes will not be qualifying debt securities for the purposes of the Income Tax Act, income from the Refinancing Bonds, the Interest Notes and the Distribution Notes will not benefit from the taxation advantages enjoyed by qualifying debt securities under the Income Tax Act.

***The minimum board lot size required by the SGX-ST may limit the ability of Securityholders to trade the Refinancing Bonds or the amended Series 008 Securities.***

Even though the denomination of the Refinancing Bonds is S\$50,000 and the Series 008 Securities is proposed to be amended to decrease the denomination of the Series 008 Securities to S\$50,000, the SGX-ST has a minimum board lot size requirement of S\$200,000. To the extent that it is possible to trade in Refinancing Bonds or the Series 008 Securities through the SGX-ST, Securityholders holding a principal amount of Refinancing Bonds or Series 008 Securities of less than S\$200,000 will not be able to do so.

Holders of the Refinancing Series B Convertible Bonds or the Series 008 Securities may exercise their Conversion Rights in respect of such securities in principal amounts of S\$50,000 and integral multiples of S\$50,000 in excess thereof. The remaining principal amount of such securities held after the exercise of such Conversion Rights may be less than S\$200,000. Therefore, holders of the Refinancing Series B Convertible Bonds or the Series 008 Securities should bear in mind the minimum board lot size requirement and their future ability to trade the Refinancing Series B Convertible Bonds and Series 008 Securities when deciding on the principal amount of Refinancing Series B Convertible Bonds or Series 008 Securities to be converted at any one time.

## Market Price and Other Information Concerning the Shares

The Shares have been listed on the SGX-ST since 4 September 2000. On 10 August 2017, the Issuer announced a halt in trading of the Issuer's Shares and other listed securities on the SGX-ST, and on 14 August 2017, the Issuer announced the suspension of trading of the same, which suspension has not been lifted as of the date of this Consent Solicitation Statement. The following table shows the high/low market prices and the total trading volume of the Shares on the SGX-ST during the periods indicated:

Calendar Period	Market Price <sup>(1)</sup> for Shares on SGX-ST			Average Daily Volume (in thousands)
	High	Low	Last	
	(S\$ per Share)			
<b>2014:</b>				
First quarter.....	1.829	1.536	1.626	8,420.9
Second quarter .....	1.717	1.566	1.566	7,466.2
Third quarter .....	1.726	1.487	1.636	9,016.1
Fourth quarter .....	1.613	0.922	1.012	18,252.3
<b>2015:</b>				
First quarter.....	1.202	0.850	0.972	15,973.2
Second quarter .....	1.149	0.895	0.927	16,826.2
Third quarter .....	0.936	0.497	0.588	21,426.1
Fourth quarter .....	0.701	0.502	0.552	15,242.5
<b>2016:</b>				
First quarter.....	0.574	0.443	0.516	17,531.1
Second quarter .....	0.529	0.443	0.470	11,655.9
Third quarter .....	0.450	0.210	0.275	20,121.1
Fourth quarter .....	0.405	0.275	0.385	32,228.7
<b>2017:</b>				
First quarter.....	0.435	0.320	0.355	21,993.4
Second quarter .....	0.365	0.220	0.235	11,434.5
Third quarter (through 8 August 2017).....	0.275	0.197	0.197	13,361.5

Source: *Bloomberg, Issuer*

(1) The historical market prices for Shares in the table above have been adjusted for cash dividends, rights issues and bonus warrants issues.

As of 8 August 2017, which is the full trading day immediately prior to the date when the Issuer's Shares were halted and thereafter suspended from trading on the SGX-ST, the closing price of the Shares was S\$0.197.

There is no public market outside Singapore for the Shares. As of the Latest Practicable Date, there were 2,073,843,405 outstanding and fully paid issued Shares (excluding treasury shares). In 2013, a subsidiary of the Issuer issued 300 REPS exchangeable into Shares, and in 2016 the Issuer issued 355,099,387 Warrants (2016) to its Shareholders, of which 355,087,144 Warrants (2016) remain outstanding. Other than the REPS and Warrants (2016), there are no outstanding preference shares or other warrants or convertible securities to purchase Shares.

For more information on the Shares, see "Appendix F – Description of the Shares".

## The Proposal

### 1. Background to the Proposal

The Group is primarily engaged in the business activities of providing Liftboats, Service Rigs and Offshore Logistics Vessels (each as defined and described in further detail below). The Group's business activities are classified under two principal operating segments, namely the (a) Production and Maintenance Support Segment and (b) Exploration and Development Support Segment.

The Group's liftboats ("**Liftboats**") are primarily deployed for the servicing and intervention of oil wells, commissioning, maintenance, repair and decommissioning of offshore production platform infrastructure as well as for accommodation support. The Liftboats are deployed in offshore oil and gas projects in the Southeast Asia, Middle East and West Africa regions. The end users of the Liftboats are generally national oil companies or multinational oil majors. The Group recently also secured deployment of Liftboats to support state owned enterprises in China in offshore windfarm installation projects.

In the years prior to the oil crisis, the Group acquired a fleet of drilling rigs with the intention of upgrading or converting them for other uses such as accommodation and mobile offshore production ("**Service Rigs**"). The drilling rigs were originally used for exploration, development and production purposes in various oil and gas projects. Upon conversion, the accommodation rigs can be used to provide accommodation services for offshore oil and gas platform repair and maintenance works as well as offshore windfarm construction projects, while mobile offshore production units can be used for low-cost extraction of oil and gas from the seabed in shallow waters as compared to installing permanent production platforms. Some of the drilling rigs are utilised for workover operations including well servicing activities to improve production of the oil wells. The end users of the Service Rigs are generally national oil majors, multinational oil companies or multinational offshore windfarm owners in the Southeast Asia, South Asia, Middle East, Central Americas and the North Sea regions.

The Group provides charter services for offshore oil and gas support vessels across the entire oilfield lifecycle which spans exploration, construction of offshore production platform infrastructure, production, maintenance and decommissioning of offshore production platform infrastructure. The Group's vessels which are used in this division are mostly chartered on a short term basis.

The offshore logistics vessels ("**Offshore Logistics Vessels**") are typically deployed in offshore oil and gas projects in Australia and in the Asia Pacific, Central Americas and Middle East regions. The Group's customers are generally multinational companies in the offshore oil and gas industry.

For more details of the Group's business activities, see "Appendix D – Company Information Memorandum".

The offshore marine logistics and support services industry is directly affected by the level of activities in the offshore oil and gas industry, which in turn is largely dependent on the demand and supply for such natural resources, crude oil production levels, global political and economic uncertainties, advances in exploration and development technology and worldwide demand for natural resources. The Group has been affected by the above and its charter rates have decreased significantly as compared to the years before 2015. Furthermore, collection of receivables has slowed and creditors are reluctant to extend credit terms to the Group. However, the Group's principal businesses are in the production and maintenance segments, which generate recurring revenue as compared to the project-driven nature of the exploration and developmental phase. The Group expects such production and maintenance activities to increase in the coming years as such activities cannot be deferred indefinitely without having a material adverse effect. Decreased inspection frequency generally leads to plant failure and unplanned shutdowns whilst delays in maintenance activity increase risks and affect production efficiency. Hence, the Group expects its results of operations to improve if it can provide the services to meet such increased demand.



The Group is undertaking the Refinancing (including making the Amendments (as defined below)) to re-arrange its debt maturity profile and provide for sufficient operational and financial flexibility to better enable the Group to ride out the challenging market conditions in the oil and gas sector, which may persist on a prolonged basis, and to allow the Group to service its debts based on its expected future cash flows.

The Group believes that based on its current operating cash flows, the level of its indebtedness is not sustainable. Its strategies and future plans will focus on decreasing its indebtedness to a more sustainable level, including by:

- (a) increasing net operating cash flows;
- (b) reducing its liabilities through the expected conversion of convertible bonds to be issued as part of the Group's refinancing;
- (c) exercise of warrants by warrant holders; and
- (d) attracting one or more strategic investors.

For more details of the Group's strategy and future plans, see "Appendix D – Company Information Memorandum".

## 2. **Terms of the Proposal**

The Issuer is seeking approval by an Extraordinary Resolution of Securityholders of each Series of Securities to, *inter alia*, in respect of such Series of Securities, make certain amendments (the "**Amendments**") to the MTN Trust Deed and the Conditions of the Securities, all as set out in the section entitled "*Appendix A – Form of Notice of Meeting*" (the "**Extraordinary Resolution No. 1**"). If the Extraordinary Resolution No. 1 is not passed in relation to the Securities (other than the Series 008 Securities), the Issuer is seeking approval by an Extraordinary Resolution of Securityholders of each Series of Securities other than the Series 008 Securities (at the same Meeting) to, *inter alia*, in respect of such Series of Securities other than the Series 008 Securities, waive various Events of Default and Potential Events of Default that have occurred or may occur, all as set out in the section entitled "*Appendix A – Form of Notice of Meeting*" (the "**Extraordinary Resolution No. 2**").

### **In relation to the Series 003 Securities, the Series 004 Securities, the Series 005 Securities, the Series 006 Securities and the Series 007 Securities**

#### ***Extraordinary Resolution No. 1***

- (a) in relation to the interest for the relevant Series of Securities:
  - (i) the approval to amend the interest provisions of the relevant Series of Securities with respect to interest that accrues from the Interest Payment Date immediately preceding the date of the Extraordinary Resolution No. 1 of such Series of Securities to but excluding the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed, provided that Shareholders approve the Shareholders' Extraordinary Resolution(s) on or before 31 March 2018, such that the amount of interest payable during such period may be paid in the form of either (y) a number of Shares equal to such interest amount divided by S\$0.2763 (which is also the initial Conversion Price specified in the Refinancing Series B Convertible Bonds), ignoring fractions of Shares (and no cash adjustments will be made in respect thereof), such Shares to be issued on the same date as the issue date of the Refinancing Series B Convertible Bonds, or (z) where a Securityholder delivers a notice to receive Refinancing Series A Non-Convertible Bonds, an equivalent principal amount of

Interest Notes to be issued by the Issuer on the same date as the issue date of the Refinancing Series A Non-Convertible Bonds as described in paragraph (e) below;

- (ii) the approval to amend the interest provisions of the relevant Series of Securities such that no interest shall accrue or be payable on such Series of Securities from and including the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed, provided that Shareholders approve the Shareholders' Extraordinary Resolution(s) on or before 31 March 2018<sup>2</sup>;
  - (iii) the waiver of the non-payment of any and all interest on the relevant Series of Securities (other than the interest described in paragraph (a)(i) above) that was or would be due and payable on all relevant Interest Payment Dates, as the case may be, that occurred or will occur on or after the Interest Payment Date immediately preceding the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed, and the occurrence of any Event of Default (as defined in the MTN Trust Deed) or, as the case may be, Potential Event of Default (as defined in the MTN Trust Deed) as a result of any such non-payment of the interest on such Series of Securities that was or would be due and payable on all such Interest Payment Dates; and
  - (iv) if the Shareholders' Extraordinary Resolution(s) are not passed by Shareholders on or before 31 March 2018, the Rate of Interest, the Interest Payment Dates and form of payment of the relevant amount of interest applicable to the relevant Series of Securities shall revert to the Rate of Interest, Interest Payment Dates and form of payment applicable prior to the date of the Extraordinary Resolution No. 1 of such Series of Securities as if the amendments described in paragraphs (a)(i) and (a)(ii) above were not approved and the waiver described in paragraph (a)(iii) were not granted, in each case provided that where an Interest Payment Date occurs on or prior to 31 March 2018, then it shall not be an Event of Default or a Potential Event of Default if the Issuer pays the amount of interest that is due and payable on such Interest Payment Date within 30 days of the earlier of the Shareholders' Meeting or 31 March 2018;
- (b) the waiver of any requirement, covenant and term in the MTN Trust Deed and the relevant Series of Securities that would be breached as a result of or arising in connection with the Refinancing and the transactions contemplated thereby and the waiver of the occurrence of any Event of Default or, as the case may be, Potential Event of Default that may have occurred or may occur in connection with the Refinancing and the transactions contemplated thereby;
  - (c) the approval to delete the financial covenants set out in Clause 5.2 of the MTN Trust Deed and Condition 4(b) of the relevant Series of Securities, the waiver of any requirement, covenant and term in the MTN Trust Deed and the relevant Series of Securities that would be breached as a result of any non-compliance with Clause 5.2 of the MTN Trust Deed and Condition 4(b) of the relevant Series of Securities and the waiver of the occurrence of any Event of Default (as defined in the MTN Trust Deed) or, as the case may be, Potential Event of Default (as defined in the MTN Trust Deed) that may have occurred or may occur in connection with any existing or future non-compliance with the financial covenants contained in Clause 5.2 of the MTN Trust Deed and Condition 4(b) of the relevant Series of Securities;

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<sup>2</sup> Note: Securityholders will receive 0.25% per annum under the Refinancing Series A Non-Convertible Bonds or the Refinancing Series B Convertible Bonds, as the case may be, from and including the date of Extraordinary Resolution No. 1, provided that Shareholders approve the Shareholders' Extraordinary Resolution(s).

- (d) the approval to amend the negative pledge set out in Clause 5.1 of the MTN Trust Deed and Condition 4(a) of the relevant Series of Securities to insert an additional exception allowing the Issuer and its Subsidiaries to grant any security in connection with the transactions contemplated by the Refinancing, and the waiver of any requirement, covenant and term in the MTN Trust Deed and the relevant Series of Securities which would be breached and the occurrence of any Event of Default or, as the case may be, Potential Event of Default that may have occurred or may occur as a result of or arising in connection with the grant of any security in connection with the transactions contemplated by the Refinancing;
- (e) the approval for the addition in Condition 6 of the relevant Series of Securities of an additional redemption option to provide that the Issuer may redeem all (but not some only) of the relevant Series of Securities, at its option, by giving no fewer than five days' notice of such redemption, on any date falling on or prior to 30 days after the Shareholders' Extraordinary Resolution(s) are passed (the "**Redemption Date**"), at the Refinancing Redemption Amount payable in the form of (i) Refinancing Series B Convertible Bonds to be issued by the Issuer at an issue price of 100 per cent. of the principal amount of the Refinancing Series B Convertible Bonds and/or (ii) Refinancing Series A Non-Convertible Bonds to be issued by the Issuer at an issue price of 100 per cent. of the principal amount of the Refinancing Series A Non-Convertible Bonds, if and to the extent elected by the relevant Securityholder on or prior to the last date that voting instruction forms could be validly submitted with respect to the Extraordinary Resolution No. 1, and where the Issuer does not receive any such notice of election with respect to any such Series of Securities on or prior to such date, the Issuer shall pay the Refinancing Redemption Amount in the form of Refinancing Series B Convertible Bonds;
- (f) the approval for the addition and, where appropriate, deletion of consequential provisions in the MTN Trust Deed and the relevant Series of Securities relating to any of the above;
- (g) every abrogation, modification, compromise or arrangement in respect of the rights of the Securityholders appertaining to the relevant Series of Securities against the Issuer involved in or resulting from the modifications referred to in paragraphs (a) to (f) of the Extraordinary Resolution No. 1 of the relevant Series of Securities be sanctioned;
- (h) the MTN Trustee be authorised, directed, empowered and requested to concur in the modifications referred to in paragraphs (a) to (g) of the Extraordinary Resolution No. 1 of the relevant Series of Securities and execute all documents, notices, forms, instruments, consents or agreements (including, without limitation, the Supplemental Trust Deed in the form of the draft to be produced at the Meeting and, for the purposes of identification, signed by the Chairman of the Meeting, with such amendments (if any) as the MTN Trustee may approve or require) to give effect to and to implement the Extraordinary Resolution No. 1 of the relevant Series of Securities on such terms and conditions as the MTN Trustee may in its absolute discretion decide and to concur in and do all acts and things as the MTN Trustee may in its absolute discretion consider necessary, desirable or expedient to give effect to and implement the relevant Extraordinary Resolution No. 1; and
- (i) the MTN Trustee be discharged and exonerated from all liability for which it may become responsible under the MTN Trust Deed or the relevant Series of Securities in respect of any act or omission in connection with the Extraordinary Resolution No. 1 of the relevant Series of Securities.

***Extraordinary Resolution No. 2***

If Extraordinary Resolution No. 1 is not passed in relation to any Series of Securities:

- (a) the waiver of any requirement, covenant and term in the MTN Trust Deed and the relevant Series of Securities that would be breached as a result of or arising in connection with the Refinancing and the transactions contemplated thereby and the waiver of the occurrence of any Event of Default or, as the case may be, Potential Event of Default that may have occurred or may occur in connection with the Refinancing and the transactions contemplated thereby;
- (b) the approval to delete the financial covenants set out in Clause 5.2 of the MTN Trust Deed and Condition 4(b) of the relevant Series of Securities, the waiver of any requirement, covenant and term in the MTN Trust Deed and the relevant Series of Securities that would be breached as a result of any non-compliance with Clause 5.2 of the MTN Trust Deed and Condition 4(b) of the relevant Series of Securities and the waiver of the occurrence of any Event of Default (as defined in the MTN Trust Deed) or, as the case may be, Potential Event of Default (as defined in the MTN Trust Deed) that may have occurred or may occur in connection with any existing or future non-compliance with the financial covenants contained in Clause 5.2 of the MTN Trust Deed and Condition 4(b) of the relevant Series of Securities;
- (c) the approval to delete the negative pledge set out in Clause 5.1 of the MTN Trust Deed and Condition 4(a) of the relevant Series of Securities, and the waiver of any requirement, covenant and term in the MTN Trust Deed and the relevant Series of Securities which would be breached and the occurrence of any Event of Default or, as the case may be, Potential Event of Default that may have occurred or may occur as a result of or arising in connection with the grant of any security in connection with the transactions contemplated by the Refinancing;
- (d) the approval for the addition and, where appropriate, deletion of consequential provisions in the MTN Trust Deed and the relevant Series of Securities relating to any of the above;
- (e) every abrogation, modification, compromise or arrangement in respect of the rights of the Securityholders appertaining to the relevant Series of Securities against the Issuer involved in or resulting from the modifications referred to in paragraphs (a) to (d) of the relevant Extraordinary Resolution No. 2 be sanctioned;
- (f) the MTN Trustee be authorised, directed, empowered and requested to concur in the modifications referred to in paragraphs (a) to (e) of the Extraordinary Resolution No. 2 of the relevant Series of Securities and execute all documents, notices, forms, instruments, consents or agreements (including, without limitation, the Supplemental Trust Deed in the form of the draft to be produced at the Meeting and, for the purposes of identification, signed by the Chairman of the Meeting, with such amendments (if any) as the MTN Trustee may approve or require) to give effect to and to implement the relevant Extraordinary Resolution No. 2 on such terms and conditions as the MTN Trustee may in its absolute discretion decide and to concur in and do all acts and things as the MTN Trustee may in its absolute discretion consider necessary, desirable or expedient to give effect to and implement the Extraordinary Resolution No. 2 of the relevant Series of Securities; and
- (g) the MTN Trustee be discharged and exonerated from all liability for which it may become responsible under the MTN Trust Deed or the relevant Series of Securities in respect of any act or omission in connection with the Extraordinary Resolution No. 2 of the relevant Series of Securities.

**In relation to the Series 008 Securities**

***Extraordinary Resolution No. 1***

- (a) in relation to the distributions for the Series 008 Securities:

- (i) the approval to amend the distribution provisions of the Series 008 Securities (including Condition 4 and items 8 and 19 of the Pricing Supplement relating to the Series 008 Securities) as follows:

A provided that Shareholders approve the Shareholders' Extraordinary Resolution(s) on or before 31 March 2018, item 8(i) (Distribution Rate) and item 19(vii) (Other terms relating to the method of calculating interest for Fixed Rate Perpetual Securities) of such Pricing Supplement shall be amended to the effect that the Distribution Rate shall be:

- (1) in respect of the period from, and including, the Distribution Commencement Date to but excluding the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed (the "**Distribution Payment Reset Date**"), 7.00 per cent. per annum;
- (2) in respect of the period from, and including, the Distribution Payment Reset Date to but excluding the Step-Up Date, 0.25 per cent. per annum;
- (3) in respect of the period from, and including, the Step-Up Date and each Reset Date falling thereafter to, but excluding the immediately following Reset Date, the Relevant Reset Distribution Rate,

where "**Step-Up Date**" shall mean the date that is seven years after the Distribution Payment Reset Date and "**Relevant Reset Distribution Rate**" shall be 1.25% per annum with respect to the Step-Up Date and shall increase from the Distribution Rate applicable on the immediately preceding Reset Date (or, in relation to the Reset Date immediately after the Step-Up Date, the Step-Up Date) by 1.00% per annum on each immediately succeeding Reset Date falling thereafter;

B with respect to any Arrears of Distribution (and any Additional Distribution Amount) or any distribution that accrues from the Distribution Payment Date immediately preceding the date of the Extraordinary Resolution No. 1 of the Series 008 Securities to but excluding the Distribution Payment Reset Date, provided that Shareholders approve the Shareholders' Extraordinary Resolution(s) on or before 31 March 2018, such amount of any Arrears of Distribution (and any Additional Distribution Amount) or distribution payable during such period may be paid in the form of either (y) a number of Shares equal to any Arrears of Distribution or such distribution amount divided by S\$0.2763 (which is also the initial Conversion Price to be specified in the amended Series 008 Securities), ignoring fractions of Shares (and no cash adjustments will be made in respect thereof), such Shares to be issued on the same date as the date the conversion feature as described in paragraph (c) shall apply, or (z) where a holder of the Series 008 Securities delivers a notice to receive Refinancing Series C Non-Convertible Bonds, an equivalent principal amount of Distribution Notes to be issued by the Issuer on the issue date of the Refinancing Series C Non-Convertible Bonds;

C item 19(ii) of such Pricing Supplement (Distribution Payment Date(s)) shall be amended to the effect that the existing Distribution Payment Dates of 19 May and 19 November in each year shall apply only to such dates that occur prior to the Distribution Payment Reset Date; and any Distribution Payment Date that will occur on or after the Distribution Payment Reset Date shall be

such that each Distribution Payment Date immediately after the Distribution Payment Reset Date occurs semi-annually on the same day and month as, and the same day but six calendar months after the month of, the Distribution Payment Reset Date, as the case may be; and

- D Condition 4(g) of the Series 008 Securities shall be amended to the effect that (1) the amount of distribution payable on each Distribution Payment Date shall be the product of the Distribution Rate, S\$50,000 and the Day Count Fraction for the period from and including the Distribution Payment Date immediately preceding such Distribution Payment Date (or, if such Distribution Payment Date is the first Distribution Payment Date after the Distribution Payment Reset Date, the Distribution Payment Reset Date) to but excluding the such Distribution Payment Date;
- (ii) (A) the waiver of the non-payment of any and all distribution (other than the distribution described in paragraph (a)(i) above) that was or would be due and payable on all relevant Distribution Payment Dates, as the case may be, that occurred or will occur on or after the Distribution Payment Date immediately preceding the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed, and (B) the agreement that any such non-payment shall not constitute a non-payment under Condition 9(a), a failure to make payment under Condition 9(b), nor give rise to a right to institute proceedings or take any action against the Issuer under Conditions 9(c), 9(d) and 9(e) of the Series 008 Securities;
- (iii) if the Shareholders' Extraordinary Resolution(s) is not passed by Shareholders on or before 31 March 2018, the Distribution Rate and form of payment of the relevant amount of distribution or any Arrears of Distribution (and any Additional Distribution Amount) shall revert to the Distribution Rate and form of payment applicable prior to the date of the Extraordinary Resolution No. 1 of the Series 008 Securities as if the amendments described in paragraph (a)(i) above were not approved and the waiver described in paragraph (a)(ii) above were not granted, in each case provided that where a Distribution Payment Date occurs on or prior to 31 March 2018, then it shall not be a non-payment under Condition 9(a), a failure to make payment under Condition 9(b), nor give rise to a right to institute proceedings or take any action against the Issuer under Conditions 9(c), 9(d) and 9(e) of the Series 008 Securities if the Issuer pays the amount of distribution or any Arrears of Distribution (and any Additional Distribution Amount) that are to be due and payable on such Distribution Payment Date or on any other relevant date within 30 days of the earlier of the Shareholders' Meeting or 31 March 2018;
- (b) the approval to amend the Specified Denominations and Calculation Amount in item 6 of the Pricing Supplement relating to the Series 008 Securities and to amend the Early Redemption Amount(s) per Calculation Amount payable on redemption and/or the method of calculating the same in item 10(i) of such Pricing Supplement from S\$250,000 to S\$50,000;
- (c) the approval to amend item 13 of the Pricing Supplement relating to the Series 008 Securities to make applicable, to become effective on the effective date of the Supplemental Trust Deed referred to in paragraph (g) below (the "**Effective Date**"), which Effective Date shall occur on or prior to 30 days after the Shareholders' Extraordinary Resolution(s) are passed (the "**Redemption Date**"), and upon the occurrence of such Effective Date, such Condition 4(k), to be amended as appropriate so that the conversion provisions relating to the Refinancing Series B Convertible Bonds are also reflected in Condition 4(k) *mutatis mutandis*, shall apply to the Series 008 Securities other than the Expiration Date, which (in the case of the Series

008 Securities) shall be on the date that is four years from the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed;

- (d) the approval for the addition in Condition 5 of the Series 008 Securities of an additional redemption option to provide that on the Effective Date, the Issuer shall, if and to the extent elected by the relevant Securityholder on or prior to the last date that voting instruction forms could be validly submitted with respect to the Extraordinary Resolution No. 1, redeem the Series 008 Securities of such holder on or before the Effective Date at the Refinancing Redemption Amount, payable entirely in the form of Refinancing Series C Non-Convertible Bonds to be issued by the Issuer at an issue price of 100 per cent. of the principal amount of the Refinancing Series C Non-Convertible Bonds. For the avoidance of doubt, such additional redemption option shall not apply to (and the Issuer shall not redeem) any Series 008 Securities where the Issuer does not receive any such notice of election with respect to such Series 008 Securities on or prior to the last date that voting instruction forms could be validly submitted with respect to the Extraordinary Resolution No. 1;
- (e) the approval for the addition and, where appropriate, deletion of consequential provisions in the MTN Trust Deed and the Series 008 Securities relating to any of the above;
- (f) every abrogation, modification, compromise or arrangement in respect of the rights of the Securityholders appertaining to the Series 008 Securities against the Issuer involved in or resulting from the modifications referred to in paragraphs (a) to (e) of the Extraordinary Resolution No. 1 of the Series 008 Securities be sanctioned;
- (g) the MTN Trustee be authorised, directed, empowered and requested to concur in the modifications referred to in paragraphs (a) to (f) of the Extraordinary Resolution No. 1 of the Series 008 Securities and execute all documents, notices, forms, instruments, consents or agreements (including, without limitation, the Supplemental Trust Deed in the form of the draft to be produced at the Meeting and, for the purposes of identification, signed by the Chairman of the Meeting, with such amendments (if any) as the MTN Trustee may approve or require) to give effect to and to implement the Extraordinary Resolution No. 1 of the Series 008 Securities on such terms and conditions as the MTN Trustee may in its absolute discretion decide and to concur in and do all acts and things as the MTN Trustee may in its absolute discretion consider necessary, desirable or expedient to give effect to and implement the Extraordinary Resolution No. 1 of the Series 008 Securities; and
- (h) the MTN Trustee be discharged and exonerated from all liability for which it may become responsible under the MTN Trust Deed or the Series 008 Securities in respect of any act or omission in connection with the Extraordinary Resolution No. 1 of the Series 008 Securities.

The Issuer may in its sole discretion, subject to applicable laws and the provisions of the MTN Trust Deed, extend, re-open, amend, waive any condition of or terminate the Consent Solicitation at any time prior and up to the Meeting or any adjourned Meeting, including but not limited to extending the Expiration Time or the Adjournment Instruction Deadline, as the case may be, and withdrawing the Proposal. If, in the opinion of the Issuer, any amendment to the terms of the Consent Solicitation is material, the Issuer may extend the Expiration Time or the Adjournment Instruction Deadline, as the case may be. The Issuer will notify Securityholders of any such extension, re-opening, amendment, waiver or termination as soon as is reasonably practicable thereafter in accordance with the Conditions of the Securities.

Unless revoked in accordance with the terms of the Consent Solicitation, any Voting Instructions submitted before the Consent Solicitation is amended or extended will be valid and binding in respect of any such amended or extended Consent Solicitation, provided that the terms of the Consent

Solicitation are considered by the Issuer (in its sole discretion) to be no less favourable to Securityholders.

**Assuming the passing of the Extraordinary Resolution with respect to any Series of Securities, the Proposal will be binding on all the Securityholders of that Series, including those Securityholders of that Series who vote against the Extraordinary Resolution, or who do not attend the relevant Meeting and/or vote.**

Accordingly, the waivers contained therein will become immediately effective, and will become immediately binding on all Securityholders of the relevant Series to which such Extraordinary Resolution relates. While the Supplemental Trust Deed (as defined herein) for the relevant Series of Securities is expected to be executed if and promptly after the applicable Extraordinary Resolution of such Series of Securities is duly passed, the proposed amendments to the terms of the MTN Trust Deed and the Conditions of such Series of Securities as described in such Extraordinary Resolution will not become effective until the conditions precedent contained in such Supplemental Trust Deed have been satisfied and/or waived (including the passing of the Shareholders' Extraordinary Resolution).

If such conditions precedent are satisfied and/or (other than the passing of the Shareholders' Extraordinary Resolution(s)) waived, the Issuer will have the right, at its option by giving no fewer than five days' notice, redeem all (but not some only) of the Securities of such Series as described above. If such redemption takes place, the Securities of such Series will no longer be outstanding and the Securityholders of such Series will not be entitled to any further payments in respect of the Securities of such Series after such redemption.

### 3. **Consent Fees**

If the Settlement Conditions are fulfilled, the Issuer shall, no later than 10 Business Days following the lifting of the suspension of trading of the Issuer's securities on the SGX-ST, pay the Consent Fee to those Securityholders who have delivered Voting Instructions voting in favour of both Extraordinary Resolutions of the relevant Series of Securities (other than the Series 008 Securities) or, in relation to the Series 008 Securities, voting in favour of Extraordinary Resolution No. 1, in each case on or prior to the Consent Deadline (and have not subsequently revoked or amended such instructions).

**Securityholders who deliver Voting Instructions voting against any Extraordinary Resolution of the relevant Series of Securities and/or after the Consent Deadline will not be eligible to receive the Consent Fee.**

Securityholders should note that Voting Instructions given in respect of the Meeting shall remain valid for any adjourned Meeting for want of a quorum (unless revoked or amended on or prior to the Adjournment Instruction Deadline).

The payment of the Consent Fee to each eligible Securityholder of the relevant Series of Securities is conditional upon the following:

- Securityholders duly passing the Extraordinary Resolution No. 1 in relation to such Series of Securities;
- Shareholders duly passing the Shareholders' Extraordinary Resolution(s);
- the lifting of the suspension from trading of the Issuer's securities on the SGX-ST; and
- such Securityholders duly completing and delivering to the Meeting Agent the duly completed Voting Instruction Form on or prior to the Consent Deadline and providing complete details (as specified in the Voting Instruction Form) of a valid CDP account or bank account with a bank in Singapore into which the Consent Fee should be credited,



(collectively, the “**Settlement Conditions**”).

The Issuer may make arrangements, at the discretion of the Issuer, for the Consent Fee Shares that would otherwise have been issued to Securityholders electing to receive Refinancing Series A Non-Convertible Bonds or Refinancing Series C Non-Convertible Bonds, to be sold on the SGX-ST as soon as practicable, but in any case no later than five Business Days after the suspension from trading of the Issuer’s securities is lifted.

Within 10 Business Days after the suspension from trading of the Issuer’s securities is lifted, the net proceeds from all such sales, after deduction of all expenses and applicable taxes therefrom, will be pooled and thereafter distributed to such Securityholders in proportion to their respective holdings of Securities which are the subject of Voting Instructions voting in favour of the Extraordinary Resolution(s) in relation to such Series of Securities, and no Securityholder or any person acting for the account or benefit of such Securityholder shall have any claim whatsoever against the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent, the Refinancing Bonds Trustee, the Refinancing Bonds Principal Paying Agent, the Refinancing Bonds Registrar, the Meeting Agent, CDP or their respective officers in connection therewith. Where such Consent Fee Shares are sold on the SGX-ST, they will be sold at such price or prices as the Issuer may, in its absolute discretion, decide and no Securityholder or person acting for the account or benefit of such Securityholder shall have any claim whatsoever against the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent, the Refinancing Bonds Trustee, the Refinancing Bonds Principal Paying Agent, the Refinancing Bonds Registrar, the Meeting Agent, CDP or their respective officers in respect of such sales or the proceeds thereof or the allotment and issuance of Consent Fee Shares.

If such Consent Fee Shares cannot be or are not sold on the SGX-ST as aforesaid for any reason by the fifth Business Day after the suspension from trading of the Issuer’s securities is lifted, the Consent Fee Shares will be disposed of or dealt with in such manner as the directors of the Issuer may, in their absolute discretion, deem fit for the benefit of the Issuer and no Securityholder or person acting for the account or benefit of such Securityholder shall have any claim whatsoever against the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent, the Refinancing Bonds Trustee, the Refinancing Bonds Principal Paying Agent, the Refinancing Bonds Registrar, the Meeting Agent, CDP or their respective officers in connection therewith.

Securityholders should note that the special arrangements described above will apply only to the Securityholders electing to receive Refinancing Series A Non-Convertible Bonds or Refinancing Series C Non-Convertible Bonds.

Those Securityholders who submit or deliver Voting Instructions voting in favour of both Extraordinary Resolutions of the relevant Series of Securities (other than the Series 008 Securities) or, in relation to the Series 008 Securities, voting in favour of Extraordinary Resolution No. 1, in each case on or prior to the Consent Deadline and who wish to receive the Consent Fee must not subsequently revoke or amend such instructions. Securityholders will not be able to revoke or amend their Voting Instructions at any time after the Expiration Time or, if the Meeting is adjourned for want of a quorum, the Adjournment Instruction Deadline. During the period commencing on the Expiration Time and ending at the conclusion of the Meeting, Securityholders will not be able to submit or deliver Voting Instructions. Any Voting Instructions received during such period will not be effective.

If the Meeting is adjourned, then during the period commencing on the Adjournment Instruction Deadline and ending at the conclusion of the adjourned Meeting, Securityholders will not be able to submit or deliver Voting Instructions. Any Voting Instructions received during such period will not be effective. Securityholders who have not already submitted or delivered Voting Instructions on or prior to the Expiration Time may submit or deliver Voting Instructions, and Securityholders who have already submitted or delivered Voting Instructions on or prior to the Expiration Time may submit or deliver amended Voting Instructions during the period commencing at the conclusion of the original

Meeting and ending on the Adjournment Instruction Deadline (but will not, for the avoidance of doubt, be entitled to the Consent Fee).

Provided that the Settlement Conditions are fulfilled, the Consent Fee will be credited to the account of a Securityholder eligible to receive such Consent Fee by not later than 10 Business Days following the lifting of the suspension from trading of the Issuer's securities on the SGX-ST. The Issuer may elect to waive any Settlement Condition at its sole and absolute discretion. In any event, none of the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent or the Meeting Agent shall be liable for any delay in payment of the Consent Fee arising from the bank account details in the relevant Voting Instruction Form not having been duly completed. None of the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent or the Meeting Agent shall be responsible for ensuring that the Consent Fee is actually received by the relevant Securityholder.

#### 4. **Procedures for Voting**

Each question submitted to the Meeting will be decided on a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman of the Meeting, the Issuer, the MTN Trustee or one or more persons representing two per cent. in principal amount of the Securities for the time being outstanding.

Unless a poll is demanded, a declaration by the chairman of the Meeting that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.

If a poll is demanded, it shall be taken in such manner and (subject as provided in Schedule 4 to the MTN Trust Deed) either at once or after such adjournment as the chairman of the Meeting directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the Meeting continuing for the transaction of business other than the question on which it has been demanded.

A poll demanded on the election of the chairman of the Meeting or on a question of adjournment shall be taken at once.

On a show of hands every person who is present in person and produces a Voting Certificate or is a proxy or representative shall have one vote. On a poll every such person has one vote in respect of each S\$1 (which is the relevant integral currency unit of the Specified Currency of the Securities) in principal amount of such Securities so produced or represented by the Voting Certificate so produced or for which it is a proxy or representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.

In case of equality of votes, the chairman of the Meeting shall both on a show of hands and on a poll have a casting vote in addition to any other votes which he may have.

Under the provisions of the MTN Trust Deed, each of the Extraordinary Resolutions No. 1 proposed at the Meeting is a resolution to which the special quorum provisions in the MTN Trust Deed apply. Accordingly, each of the Extraordinary Resolutions No. 1 would need to be passed by at least 75 per cent. of the votes cast at the Meeting for which the necessary quorum is two or more Securityholders or agents present in person holding or representing not less than 75 per cent. of the relevant Series of Securities for the time being outstanding, or at an adjourned Meeting not less than 25 per cent. of the relevant Series of Securities for the time being outstanding. In addition, each of the Extraordinary Resolutions No. 2 would need to be passed by at least 75 per cent. of the votes cast at the Meeting for which the necessary quorum is two or more Securityholders or agents present in person holding or representing more than 50 per cent. of the relevant Series of Securities for the time being outstanding, or at an adjourned Meeting two or more Securityholders or agents present in person holding or representing any principal amount of the relevant Series of Securities for the time being outstanding.

In particular, it should be noted that paragraph 28 of Schedule 3 to the MTN Trust Deed provides that an Extraordinary Resolution of the Securityholders shall be binding on all Securityholders, whether or not present at the Meeting, and on all the Couponholders (as defined in the MTN Trust Deed) and each of them shall be bound to give effect to it accordingly. The passing of such resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer must give notice of the passing of the relevant Extraordinary Resolution to Securityholders of the relevant Series of Securities within 14 days but failure to do so shall not invalidate the resolution.

To be eligible to attend or vote at the Meeting either in person or by proxy, Securityholders should complete and sign a Voting Instruction Form obtainable from the Meeting Agent (the form of which is as set out in “*Form of Voting Instruction Form*” as contained in Appendix B) to instruct the Meeting Agent to either issue a Voting Certificate, appoint a proxy or comply with a Voting Instruction. Validly completed and signed Voting Instruction Forms must be delivered to the Meeting Agent on or before the Consent Deadline (if Securityholders wish to be eligible to receive the Consent Fee, subject to the Settlement Conditions) and in any event no later than the Expiration Time or, if applicable, the Adjournment Instruction Deadline.

**Beneficial Owners are to note the following:**

**Only Direct Participants may submit Voting Instruction Forms. A Securityholder is a Direct Participant only if such Securityholder appears in the records of CDP as the holder of the Securities. If a Securityholder is not a Direct Participant (for example, a Beneficial Owner), it must arrange for the Direct Participant through which such Securityholder holds Securities to submit a Voting Instruction Form on its behalf to the Meeting Agent.**

**Beneficial Owners whose Securities are held by a Direct Participant should contact their broker, dealer, bank, custodian, trust company or other nominee to arrange for the Direct Participant through which they hold Securities to submit a Voting Instruction Form on their behalf. In all cases, Beneficial Owners should be aware that other earlier deadlines may be imposed by such broker, dealer, bank, custodian, trust company or other nominee in respect of the Consent Solicitation. Beneficial Owners of Securities that are held in the name of a broker, dealer, bank, custodian, trust company or other nominee should contact such entity sufficiently in advance of the Expiration Time or the Adjourned Instruction Deadline, as the case may be, if they wish to participate in the Consent Solicitation relating to such Securities.**

Upon the delivery of the validly completed Voting Instruction Form to the Meeting Agent, the Meeting Agent will proceed to request CDP to earmark the direct securities account or securities sub-account in which the Securityholder’s Securities are credited and Securities so earmarked will not be released until:

- (a) (in the case where the Extraordinary Resolution No. 1 of the relevant Series of Securities and the Shareholders’ Extraordinary Resolution(s) has each been duly passed on or before 31 March 2018) the Redemption Date;
- (b) (in the case where the Extraordinary Resolution No. 1 of the relevant Series of Securities has been duly passed but the Shareholders’ Extraordinary Resolution(s) has not been duly passed by Shareholders on or before 31 March 2018), the business day after 31 March 2018;
- (c) (in the case where the Extraordinary Resolution No. 1 of the relevant Series of Securities has not been passed) the conclusion of the Meeting (or, if applicable, any adjournment of the Meeting);

- (d) (in the case where the Consent Solicitation is terminated) the date of termination of the Consent Solicitation; or
- (e) in the case where:
  - (i) in respect of a Voting Certificate, not less than 48 hours before the time for which the Meeting is convened, such Voting Certificate is surrendered to the Meeting Agent and the Meeting Agent notifies CDP of such surrender or of the compliance in such other manner with the rules of CDP; or
  - (ii) in respect of instructions for votes to be included in a block voting instruction by way of a Voting Instruction Form, not less than 48 hours before the time for which the Meeting is convened, the Meeting Agent receives a notification in writing of any revocation of a Securityholder's previous instructions to the Meeting Agent and the same is notified in writing at least 24 hours before the time appointed for holding the Meeting by the Meeting Agent to the Issuer at its specified office or to the chairman of the Meeting; or
  - (iii) in respect of the appointment of a proxy, not less than 24 hours before the time for which the Meeting is convened, the Meeting Agent receives a notification in writing of any revocation of a Securityholder's previous appointment of such proxy, and such Securities ceases in accordance with the procedures of CDP (with the agreement of the Meeting Agent) to be held to its order

(the "Earmarking Period").

**During the Earmarking Period, the Securities which are the subject of a Voting Instruction Form may not be traded or transferred. Notwithstanding anything contained herein, Securityholders should note that the relevant Securities will be earmarked by CDP in accordance with its procedures and subject to its timings. Similarly, Securities so earmarked will also be released by CDP in accordance with its procedures and subject to its timings.**

None of the Issuer, the MTN Trustee, the Meeting Agent or any of their respective affiliates, directors or employees accepts any responsibility for failure of submission or delivery of any Voting Instruction Form or any other notice or communication. The Issuer's determination in respect of any Voting Instruction Form or any other notice or communication shall be final and binding.

A Securityholder must clearly state in its Voting Instruction Form (a) the aggregate principal amount of the Securities that are the subject of the Voting Instruction Form; and (b) the name of the Securityholder and the direct securities account number, and (if applicable) the securities sub-account number, at CDP in which such Securities are held.

*Responsibility for Delivery of Voting Instructions and/or Voting Instruction Forms*

None of the Issuer, the MTN Trustee or the Meeting Agent will be responsible for the communication of Voting Instructions by:

- (a) Beneficial Owners to the relevant Direct Participant through which they hold Securities; or
- (b) a Direct Participant to the Meeting Agent.

If a Beneficial Owner holds its Securities through another broker, dealer, bank, custodian, trust company or other nominee, such Beneficial Owner should contact that broker, dealer, bank, custodian, trust company or other nominee to discuss the manner in which delivery of Voting Instructions and/or Voting Instruction Forms may be made on its behalf.

In the event that the Direct Participant through which a Beneficial Owner holds its Securities is unable to submit a Voting Instruction and/or Voting Instruction Form on its behalf, such Beneficial Owner should contact the Meeting Agent for assistance at its respective address, e-mail address or telephone number, which appears at the back cover of the Consent Solicitation Statement, between 8.30 a.m. to 5.00 p.m. (Singapore time) from Mondays to Fridays (excluding public holidays).

Direct Participants are solely responsible for arranging the timely delivery of Voting Instruction Forms. If a Beneficial Owner submits instructions in respect of its Securities through another Securityholder, such Beneficial Owner should consult with that Securityholder as to whether it will charge any service fees in connection with the participation in the Consent Solicitation.

If any Securityholder wishes to attend and vote at the Meeting, such Securityholder must (a) (in the case of Securities other than the Series 008 Securities) produce a valid Voting Certificate which will entitle the bearer of such Voting Certificate to attend, and vote at, the Meeting or (b) (in the case of the Series 008 Securities) have been validly appointed as a proxy.

Because the holder of the Series 008 Securities is CDP or a nominee of CDP, the Issuer has arranged with CDP for CDP to appoint as CDP's proxies Securityholders who are Direct Participants in accordance with CDP's usual procedures from time to time in relation to meetings of Securityholders. Based on such procedures, CDP will not be required to execute any written form of proxy but such Direct Participants will be deemed to be so appointed as proxies. Such proxies (being Securityholders who are Direct Participants) may by a Voting Instruction Form signed by such proxies or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, and delivered to the Meeting Agent not later than 24 hours before the time fixed for the Meeting in relation to the Series 008 Securities, appoint any other person (the "**sub-proxy**") to act on his or its behalf in connection with the Meeting. All references to "**proxy**" or "**proxies**" in this Consent Solicitation Statement other than in this paragraph shall (save in relation to a block voting instruction) be read so as to include a reference to "**sub-proxy**" or "**sub-proxies**".

If a Securityholder wishes (in the case of Securities other than the Series 008 Securities) to obtain a Voting Certificate or (in the case of the Series 008 Securities) to be appointed a proxy, as the case may be, in respect of the relevant Securities for the purposes of attending the Meeting, such Securityholder must deposit a validly completed Voting Instruction Form for that purpose (a) (in the case of Securities other than the Series 008 Securities) at least 48 hours before the time fixed for the Meeting with the Meeting Agent or (b) (in the case of the Series 008 Securities) at least 24 hours before the time fixed for the Meeting with the Meeting Agent. The Meeting Agent shall then issue a Voting Certificate in respect of it or notify the Issuer of the appointment of such proxy, as the case may be. Securityholders without a Voting Certificate (in the case of Securities other than the Series 008 Securities) or Securityholders who have not been appointed as proxies (in the case of the Series 008 Securities) will not be allowed to attend and vote at the Meeting.

**Beneficial Owners are to note the following:**

**Only Direct Participants are entitled to submit a Voting Instruction Form to request for a Voting Certificate to attend and vote at the Meeting or to appoint a proxy. If a Beneficial Owner of Securities wishes to attend and vote at the Meeting, the Beneficial Owner will be required to instruct the Direct Participant to deposit a validly completed Voting Instruction Form (a) (in the case of Securities other than the Series 008 Securities) at least 48 hours before the time fixed for the Meeting with the Meeting Agent to request for a Voting Certificate to be issued to the Beneficial Owner or (b) (in the case of the Series 008 Securities) at least 24 hours before the time fixed for the Meeting with the Meeting Agent to appoint a proxy (who may be the Beneficial Owner (if the Beneficial Owner wishes to attend the Meeting in person) or the Meeting Agent (if the Beneficial Owner does not wish to attend the Meeting in person). Such Beneficial Owner must allow for sufficient time before the Consent Deadline, the Expiration Time or, if applicable, the Adjournment Instruction Deadline, as the case may be, for the Direct Participant to complete and submit a Voting Instruction Form to the Meeting Agent. Securityholders without a Voting Certificate (in the case of Securities other than the Series 008 Securities) or who have not been validly appointed as proxy (in the case of the Series 008 Securities) will not be allowed to attend and vote at the Meeting.**

If any Securityholder (including a Beneficial Owner) does not wish to attend the Meeting personally, such Securityholder may instruct the Meeting Agent to appoint any employee, officer or agent of the Meeting Agent so designated by the Meeting Agent to attend the Meeting as proxy and to vote on the relevant Extraordinary Resolution through a Voting Instruction, in which such Securityholder or its duly authorised representatives shall direct the Meeting Agent as to how these votes are to be cast at the Meeting according to the wishes of such Securityholder and in respect of the aggregate principal amount of the Securities held by such Securityholder.

In the case of Securities other than the Series 008 Securities, if a Securityholder wishes the votes attributable to it to be included in a block voting instruction for the Meeting, then, at least 48 hours before the time fixed for the Meeting, (a) such Securityholder must deposit a validly completed Voting Instruction Form for that purpose with the Meeting Agent and (b) such Securityholder or a duly authorised person on its behalf must direct the Meeting Agent on how those votes are to be cast at the Meeting.

In the case of Series 008 Securities, where a Securityholder has appointed the Meeting Agent as proxy and provided a Voting Instruction, the Meeting Agent may consolidate Voting Instructions received from all Securityholders in a block voting instruction. The Meeting Agent shall issue a block voting instruction in respect of the votes attributable to all Voting Instruction Forms so deposited. Once the Meeting Agent has issued a block voting instruction for the Meeting in respect of the votes attributable to such Voting Instruction Forms, the directions to which it gives effect may not be revoked or altered during the 48 hours before the time fixed for such Meeting.

By submitting or delivering a Voting Instruction, a Direct Participant (on behalf of itself and on behalf of the relevant Beneficial Owners):

- (a) represents, warrants and undertakes to the Issuer, the MTN Trustee and the Meeting Agent that the Securities which are the subject of the Voting Instruction are, at the time of submission or delivery of the Voting Instruction Form to the Meeting Agent, and will continue to be, until the end of the Earmarking Period or until such Voting Instruction is validly revoked, held by it or on its behalf at CDP, and accordingly, such Securityholder undertakes not to trade or transfer such Securities;
- (b) represents, warrants and undertakes to the Issuer, the MTN Trustee and the Meeting Agent that the Securities which are the subject of the Voting Instruction have been earmarked (and will remain earmarked) to the order of the Meeting Agent in the securities account to which such Securities are credited in CDP for the duration of the Earmarking Period;
- (c) consents and authorises the Issuer or the Meeting Agent to take such measures as they consider necessary or expedient to prevent any trading or transfer of the Securities which are the subject of the Voting Instructions (including, but not limited to, the earmarking or blocking of such Securities in the securities account to which the Securities are credited in CDP);
- (d) acknowledges that it has received and reviewed, and it understands and accepts the terms and conditions of (and it accepts, and agrees to assume, the risks relating to the consummation of), the Proposal;
- (e) consents and authorises CDP to disclose its identity, holdings and account details to the Issuer, the MTN Trustee and the Meeting Agent at the time such Securityholder submits or delivers the Voting Instruction Form to the Meeting Agent;
- (f) consents and authorises the Meeting Agent to present Securities (which are the subject of the Voting Instruction Form) on the account books maintained by CDP to, or to the order of, the Issuer;
- (g) acknowledges that none of the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent, the Meeting Agent or any of their respective affiliates, directors or employees has made any recommendation as to whether, or how, to vote in relation to the Extraordinary Resolution, and it represents that it has consulted with its own legal, regulatory, tax, business, investment, financial, accounting and other professional advisers to the extent deemed necessary, and has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the documentation) based on its own judgement and upon any advice from such advisers as deemed necessary and not upon any view expressed by the parties to the Consent Solicitation;
- (h) acknowledges that all authority conferred or agreed to be conferred pursuant to these acknowledgements, representations, warranties and undertakings shall be binding upon the successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives of the Securityholder and shall not be affected by, and shall survive, the death or incapacity of such Securityholder;
- (i) acknowledges that, other than as set out herein, no information has been provided to it by the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent, the Meeting Agent or any of their respective affiliates, directors or employees with regard to the Proposal or the tax consequences to Securityholders or Beneficial Owners of the Securities arising from voting in favour of the relevant Extraordinary Resolution or the receipt of any applicable Consent Fee,

and hereby acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of voting in favour of the relevant Extraordinary Resolution or the receipt of any applicable Consent Fee and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent, the Meeting Agent or any of their respective affiliates, directors or employees or any other person in respect of such taxes and payments;

- (j) represents that it is delivering the Voting Instructions or will be voting at the Meeting (as the case may be) with a full understanding of all the terms, conditions and risks thereof (economic and otherwise), and is capable of assuming and willing to assume (financially and otherwise) those risks;
- (k) represents, warrants and undertakes that it has complied with the laws of all jurisdictions applicable to it (including obtaining all necessary governmental, exchange control or other required consents) in connection with the Consent Solicitation, and that it is not incorporated, resident, domiciled or located in any jurisdiction where participating in the Consent Solicitation does not comply with the laws of that jurisdiction;
- (l) undertakes and agrees that it will do all such acts and things as shall be necessary, including executing and delivering additional documents, that are deemed by the Issuer, the MTN Trustee or the Meeting Agent, each in its discretion, to be necessary or desirable to effect delivery of such Voting Instruction or to perfect any of the authorisations expressed to be given hereunder;
- (m) represents, warrants and undertakes as follows:
  - (i) the Issuer has not registered and will not register the Refinancing Bonds, the Warrants (2018-Securityholders), the Shares to be issued upon conversion of the Refinancing Series B Convertible Bonds, the Series 008 Securities and the Warrants (2018-Securityholders), the Shares to be issued in lieu of Interest Notes or Distribution Notes and the Consent Fee Shares under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws. The Refinancing Bonds, the Warrants (2018-Securityholders), the Shares to be issued upon conversion of the Refinancing Series B Convertible Bonds, the Series 008 Securities and the Warrants (2018-Securityholders), the Shares to be issued in lieu of Interest Notes or Distribution Notes and the Consent Fee Shares may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Refinancing Bonds, the Warrants (2018-Securityholders), the Shares to be issued upon conversion of the Refinancing Series B Convertible Bonds, the Series 008 Securities and the Warrants (2018-Securityholders), the Shares to be issued in lieu of Interest Notes or Distribution Notes and the Consent Fee Shares will only be offered and issued and sold outside the United States to holders of the Securities who are persons other than “U.S. persons”, as that term is defined in Rule 902 under the Securities Act, in offshore transactions in reliance upon Regulation S under the Securities Act; and
  - (ii) the Consent Solicitation Statement has not been and will not be registered as a prospectus with the MAS. Accordingly, the Consent Solicitation Statement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Refinancing Bonds, the Warrants (2018-Securityholders), the Interest Notes and the Distribution Notes may not be circulated or distributed, nor may the Refinancing Bonds, the Warrants (2018-Securityholders), the Interest Notes and the Distribution Notes be offered or sold, or be made the



subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1) of the SFA or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA (including, but not limited to, Section 273(ce) of the SFA.

Where the Refinancing Bonds, the Warrants (2018-Securityholders), the Interest Notes and the Distribution Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

Securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Refinancing Bonds, the Interest Notes and the Distribution Notes pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in Section 276(7) of the SFA; or
- as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore;

- (n) represents, warrants and undertakes as follows:
- (i) that the issue to it of the Shares to be issued upon conversion of the Refinancing Series B Convertible Bonds, the Series 008 Securities and the Warrants (2018-Securityholders), the Shares to be issued in lieu of Interest Notes or Distribution Notes and the Consent Fee Shares will not result in the transfer of a controlling interest of the Issuer under Rule 803 of the listing rules of the SGX-ST; and
  - (ii) it is not a person who falls within the class of restricted persons under Rule 812 of the listing rules of the SGX-ST;
- (o) represents, warrants and agrees that any personal data of any individual provided has been obtained with such individual's consent, and hereby consents and authorises on behalf of such individual to the collection, use and disclosure of his/her personal data by the Issuer, the MTN Trustee or the Meeting Agent (and any of their respective officers), in each case in accordance with the terms of the Consent Solicitation and the provisions of the Singapore Personal Data

Protection Act 2012 (No.26 of 2012). Such consent given hereunder in relation to personal data shall survive death, incapacity, bankruptcy or insolvency of any such individual and the termination or expiration of the Consent Solicitation. For the purposes of the Consent Solicitation, “**personal data**” has the meaning ascribed to it in the Singapore Personal Data Protection Act 2012 (No. 26 of 2012); and

- (p) none of the parties to the Consent Solicitation has given (directly or indirectly through any other person) any assurance, guarantee, or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) of the Consent Solicitation.

#### 5. **Revocation or Withdrawal of Voting Instructions**

Securityholders who submit or deliver Voting Instructions voting in favour of the Extraordinary Resolution(s) in relation to the relevant Series of Securities on or prior to the Consent Deadline and who wish to receive the Consent Fee must not subsequently revoke or amend such instructions.

Securityholders may not revoke or amend Voting Instructions at any time after the Expiration Time unless the Meeting is adjourned for want of a quorum, in which case Securityholders may revoke or amend Voting Instruction at any time at or prior to the Adjournment Instruction Deadline, after which time Securityholders may not revoke or amend Voting Instructions. Any notice of revocation or amendment received after such relevant time will not be effective.

To be effective, a notice of revocation or amendment must be given in writing and received by the Meeting Agent on or prior to the Expiration Time or, where applicable, the Adjournment Instruction Deadline, as the case may be. Only a Direct Participant is entitled to revoke or amend a Voting Instruction previously given. A Beneficial Owner of Securities held through a Direct Participant must arrange with such Direct Participant to submit or deliver on its behalf a revocation or amendment of any Voting Instruction already given with respect to such Securities. Following any such revocation, the Meeting Agent will advise CDP that the relevant Securities may be unblocked.

#### 6. **Tax Residency Declaration Form**

For the purpose of enabling the Issuer to determine the amount of withholding tax (if any) payable to the Inland Revenue Authority of Singapore in respect of amounts payable under the Consent Solicitation and the Securities, the holders and/or the Beneficial Owners of Securities are requested to complete the Tax Residency Declaration Form (the form of which may be found in the section entitled “Form of Tax Residency Declaration Form” in Appendix C of the Consent Solicitation Statement) and return the duly completed Tax Residency Declaration Form to the Meeting Agent at the address set forth on the back cover of the Consent Solicitation Statement by the Expiration Time or, if applicable, the Adjournment Instruction Deadline. The Tax Residency Declaration Form will require holders and/or the Beneficial Owners of Securities to declare, among others, the country of residence in which such holders and/or Beneficial Owners of Securities are resident for tax purposes.

#### 7. **Irregularities**

All questions as to the validity, form and eligibility (including the time of receipt) of any Voting Instruction Form, or revocation or revision thereof, will be determined by the Issuer in its sole discretion, whose determination shall be final and binding. The Issuer reserves the absolute right to reject any and all Voting Instruction Forms not in a form which is, in the opinion of the Issuer, acceptable. The Issuer also reserves the absolute right to waive any defect in any Voting Instruction Form in relation to any Securities. None of the Issuer, the MTN Trustee or the Meeting Agent, or any of its respective affiliates, directors, officers or employees, or any other person, shall be under any duty to give notification of any defect or irregularities in such Voting Instruction Form, nor shall any of such

entities or persons incur any liability in connection with such irregularities or for failure to give such notification.

8. **Governing Law and Jurisdiction**

The Proposal and the terms of the Consent Solicitation as described herein, including (without limitation) all Voting Instruction Forms, are governed by, and shall be construed in accordance with, Singapore law. By submitting a Voting Instruction Form, a Securityholder will be deemed to irrevocably and unconditionally agree, for the benefit of the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent and the Meeting Agent, that the courts of Singapore are to have jurisdiction to settle any dispute which may arise out of or in connection with the Consent Solicitation or any of the documents referred to above; and that, accordingly, any suit, action or proceeding arising out of or in connection with the foregoing may be brought in such courts.

### **The Meeting Agent**

Pursuant to the MTN Agency Agreement, the MTN Issuing and Paying Agent may execute any of its powers and perform any of its duties under the MTN Agency Agreement directly or through delegates, agents or attorneys.

Pursuant to a deed of delegation dated on or about the date of this Consent Solicitation Statement (the “**Deed of Delegation**”) made between (1) the Issuer, as issuer, (2) the MTN Issuing and Paying Agent, as issuing and paying agent, CDP paying agent, transfer agent, calculating agent and registrar, (3) the MTN Trustee, as trustee, and (4) the Meeting Agent, as delegate, the MTN Issuing and Paying Agent has appointed the Meeting Agent as its delegate under the MTN Agency Agreement in relation to the Consent Solicitation, and has delegated to the Meeting Agent all duties of the MTN Issuing and Paying Agent under the MTN Agency Agreement (and the functions required of it as set out in Schedule 3 (*Provisions for Meetings of Securityholders*) to the MTN Trust Deed) in relation to the Consent Solicitation, as set out in the Schedule to the Deed of Delegation, to be undertaken by the Meeting Agent in the same manner and to the same extent that the MTN Issuing and Paying Agent is obliged to do so under the MTN Agency Agreement and applicable law.

The Issuer has not authorised the Meeting Agent to give any information or make any representations in connection with this solicitation other than those contained in this Consent Solicitation Statement and, if given or made, such information or representations must not be relied upon as having been authorised.

None of the Meeting Agent, its affiliates, directors or employees assumes any responsibility for the accuracy or completeness of the information concerning the Issuer or any document prepared in connection with the Proposal, the Consent Solicitation or the Extraordinary Resolution, or for any failure by the Issuer to disclose events that may have occurred and may affect the significance or accuracy of such information.

Any requests for additional copies of this Consent Solicitation Statement may be directed to the Meeting Agent at its telephone number and e-mail address set out on the back cover page of this Consent Solicitation Statement between 8.30 a.m. to 5.00 p.m. (Singapore time) from Mondays to Fridays (excluding public holidays).

## **Taxation**

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines issued by the MAS in force as at the date of this Consent Solicitation Statement and are subject to any changes in such laws or administrative guidelines, or the interpretation of those laws or guidelines, occurring after such date, which changes could be made on a retroactive basis. Neither these statements nor any other statements in this Consent Solicitation Statement are intended or are to be regarded as advice on the tax position of any holder of the Securities or on any tax implications arising from the Consent Solicitation. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to participate in the Consent Solicitation and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Holders of the Securities are advised to consult their own tax advisors as to the Singapore or other tax consequences of their participation in the Consent Solicitation, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of Issuer and any other persons involved in the Consent Solicitation accepts responsibility for any tax effects or liabilities resulting from the Consent Solicitation.

### **Interest and Other Payments**

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, Chapter 134 of Singapore (“ITA”), the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is currently 22 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, on the basis that the Securities are qualifying debt securities (“**QDS**”) for the purposes of the ITA and the relevant conditions are met:

- (a) interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (“**Qualifying Income**”) from the Securities derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Securities are not obtained from such person’s operation through a permanent establishment in Singapore, are exempt from Singapore tax;
- (b) Qualifying Income from the Securities derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and
- (c) payments of Qualifying Income derived from the Securities are not subject to withholding of tax by the Issuer.

However, if at any time during the tenor of the Securities, 50 per cent. or more of the Securities which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from the Securities held by:

- (i) any related party of the Issuer; or
- (ii) any other person where the funds used by such person to acquire such Securities are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term “**related party**”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms “prepayment fee”, “redemption premium” and “break cost” are defined in the ITA as follows:

- “**prepayment fee**”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;
- “**redemption premium**”, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and
- “**break cost**”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

References to “prepayment fee”, “redemption premium” and “break cost” in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS (subject to certain conditions) under the ITA shall not apply if such person acquires such Securities using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

**Securityholders should note that the Refinancing Bonds, the Interest Notes and the Distribution Notes are not QDS and the disclosure above relating to QDS and Qualifying Income does not apply to the Refinancing Bonds, the Interest Notes and the Distribution Notes.**

### **Dividend Distributions**

Dividends received in respect of the Shares by either a resident or non-resident of Singapore are not subject to Singapore withholding tax on the basis that the Issuer is a tax resident of Singapore. Under the one-tier corporate tax system, the tax on corporate profits is final and dividends paid by a Singapore resident company are tax exempt in the hands of a shareholder, regardless of whether the shareholder is a company or an individual, and whether or not the shareholder is a Singapore tax resident.

### **Capital Gains**

Singapore does not impose tax on capital gains. Any gains construed to be in the nature of capital gains from the participation in the Consent Solicitation or disposal of the Securities, the Refinancing Series B Convertible Bonds or the Shares will not be taxable in Singapore. However, if such gains are derived by a person from any trade, business, profession or vocation carried on by that person, and such gains are accruing in or derived from Singapore, such gains may be construed to be of an income nature and subject to income tax.

In addition, holders of the Securities who apply or are required to apply Singapore Financial Reporting Standard 39 (“**FRS 39**”) may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Securities, the Refinancing Series B Convertible Bonds or the Shares, or as a result of participation in the Consent Solicitation, in each case in accordance with FRS 39. Please see the section below on “*Adoption of FRS 39 Treatment for Singapore Income Tax Purposes*”.

### **Adoption of FRS 39 Treatment for Singapore Income Tax Purposes**

The IRAS has issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 — Financial Instruments: Recognition and Measurement” (the “**FRS 39 Circular**”). The ITA has since been amended to give effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain “opt-out” provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Securities who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their participation in the Consent Solicitation.

### **Estate Duty**

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

### **Stamp Duty**

There is no stamp duty payable on the subscription for the Shares.

Where the Shares evidenced in certificated form are acquired in Singapore, stamp duty is payable on the agreement or instrument of transfer of the Shares at the rate of 0.2 per cent. of the consideration for, or market value of, the Shares, whichever is higher.

Stamp duty is borne by the purchaser unless there is an agreement to the contrary. Where an agreement or instrument of transfer is executed outside Singapore or no agreement or instrument of transfer is executed, no stamp duty is payable on the acquisition of the Shares. However, stamp duty may be payable if the agreement or instrument of transfer is executed outside Singapore and is received in Singapore.

Stamp duty is not applicable to electronic transfers of the Shares through the scripless trading system operated by CDP.

### **Goods and Services Tax (“GST”)**

The sale of the Shares by a GST-registered investor belonging in Singapore for GST purposes to another person belonging in Singapore is an exempt supply not subject to GST. Any input GST incurred by the GST-registered investor in making an exempt supply is generally not recoverable from the Singapore Comptroller of GST.

Where the Shares are sold by a GST-registered investor in the course of or furtherance of a business carried on by such investor contractually to and for the direct benefit of a person belonging outside Singapore, the sale should generally, subject to satisfaction of certain conditions, be considered a taxable supply subject to GST at 0.0 per cent. Any input GST incurred by the GST-registered investor in making such a supply in the course of or furtherance of a business may be fully recoverable from the Singapore Comptroller of GST.

Services consisting of arranging, broking, underwriting or advising on the issue, allotment or transfer of ownership of the Shares rendered by a GST-registered person to an investor belonging in Singapore for GST purposes in connection with the investor’s purchase, sale or holding of the Shares will be subject to GST at the standard rate of 7.0 per cent. Similar services rendered by a GST-registered person contractually to and for the direct benefit of an investor belonging outside Singapore should generally, subject to the satisfaction of certain conditions, be subject to GST at 0.0 per cent.



## Appendix A

### Form of Notice of Meeting

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF SECURITYHOLDERS. If Securityholders (as defined below) are in doubt about any aspect of the Proposal (as defined below) and/or the action they should take, they should seek their own financial advice immediately from their stockbroker, bank manager, solicitor, accountant or other independent financial adviser.



## **EZION HOLDINGS LIMITED**

*(UEN/Company Registration No. 199904364E)*

*(Incorporated in the Republic of Singapore)*

### **NOTICE OF MEETINGS**

of the holders of the

**Series 003 S\$110,000,000 4.70% notes due 2019 (ISIN: SG56F6993056) (the “Series 003 Securities”);  
Series 004 S\$60,000,000 4.60% notes due 2018 (ISIN: SG57D3995685) (the “Series 004 Securities”);  
Series 005 S\$50,000,000 4.85% notes due 2019 (ISIN: SG6OF1000004) (the “Series 005 Securities”);  
Series 006 S\$55,000,000 5.10% notes due 2020 (ISIN: SG6PB3000008) (the “Series 006 Securities”);  
Series 007 S\$150,000,000 4.875% notes due 2021 (ISIN: SG6RD2000001) (the “Series 007 Securities”);  
and**

**Series 008 S\$150,000,000 7.00% subordinated perpetual securities (ISIN: SG6UH9000009) (the “Series 008 Securities” and, together with the Series 003 Securities, the Series 004 Securities, the Series 005 Securities, the Series 006 Securities and the Series 007 Securities, each a “Series of Securities” and, together, the “Securities”)**

**in each case issued under the S\$1,500,000,000 Multicurrency Debt Issuance Programme of Ezion Holdings Limited**

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Third Schedule of the Trust Deed dated 9 May 2012 (the “**MTN Trust Deed**”) entered into between (1) Ezion Holdings Limited (the “**Issuer**”), as issuer, and (2) DBS Trustee Limited (the “**MTN Trustee**”), as trustee for the holders of the Securities (collectively, the “**Securityholders**”), meetings (the “**Meetings**” and each, a “**Meeting**”) of the Securityholders of each Series of Securities convened by the Issuer will be held for the purpose of considering and, if thought fit, passing the following respective resolutions which will each be proposed as an Extraordinary Resolution of the Securityholders of each Series of Securities in accordance with the provisions of the MTN Trust Deed. The Meeting for each Series of Securities will be held at 8 Wilkie Road, #03-08 Wilkie Edge, Singapore 228095 on 20 November 2017 at:

- (a) in respect of the holders of the Series 003 Securities, 9.00 a.m. (Singapore time) (the “**Series 003 Meeting**”);
- (b) in respect of the holders of the Series 004 Securities, 9.30 a.m. (Singapore time) (or such later time as the Meeting in respect of the holders of the Series 003 Securities convened for the same day shall have concluded or adjourned) (the “**Series 004 Meeting**”);

- (c) in respect of the holders of the Series 005 Securities, 10.00 a.m. (Singapore time) (or such later time as the Meeting in respect of the holders of the Series 004 Securities convened for the same day shall have concluded or adjourned) (the “**Series 005 Meeting**”);
- (d) in respect of the holders of the Series 006 Securities, 10.30 a.m. (Singapore time) (or such later time as the Meeting in respect of the holders of the Series 005 Securities convened for the same day shall have concluded or adjourned) (the “**Series 006 Meeting**”);
- (e) in respect of the holders of the Series 007 Securities, 11.00 a.m. (Singapore time) (or such later time as the Meeting in respect of the holders of the Series 006 Securities convened for the same day shall have concluded or adjourned) (the “**Series 007 Meeting**”); and
- (f) in respect of the holders of the Series 008 Securities, 11.30 a.m. (Singapore time) (or such later time as the Meeting in respect of the holders of the Series 007 Securities convened for the same day shall have concluded or adjourned) (the “**Series 008 Meeting**”).

Capitalised or other terms used but not defined in this Notice shall, unless the context otherwise requires, have the meanings set out in the consent solicitation statement dated 23 October 2017 (the “**Consent Solicitation Statement**”) issued by the Issuer.

Any reference in any of the Extraordinary Resolutions below to the “relevant Series of Securities” shall be deemed to be a reference to:

- (a) where such Extraordinary Resolution is put forth for a vote in the Series 003 Meeting, the Series 003 Securities;
- (b) where such Extraordinary Resolution is put forth for a vote in the Series 004 Meeting, the Series 004 Securities;
- (c) where such Extraordinary Resolution is put forth for a vote in the Series 005 Meeting, the Series 005 Securities;
- (d) where such Extraordinary Resolution is put forth for a vote in the Series 006 Meeting, the Series 006 Securities; and
- (e) where such Extraordinary Resolution is put forth for a vote in the Series 007 Meeting, the Series 007 Securities.

### **EXTRAORDINARY RESOLUTION NO. 1**

#### **FOR THE HOLDERS OF EACH OF THE SERIES 003 SECURITIES, SERIES 004 SECURITIES, SERIES 005 SECURITIES, SERIES 006 SECURITIES AND SERIES 007 SECURITIES**

“That:

- (a) in relation to the interest for the relevant Series of Securities:
  - (i) approval be and is hereby given for the amendment of the interest provisions of the relevant Series of Securities with respect to interest that accrues from the Interest Payment Date immediately preceding the date of this Extraordinary Resolution No. 1 of the relevant Series of Securities to but excluding the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed, provided that Shareholders approve the Shareholders’

Extraordinary Resolution(s) on or before 31 March 2018, such that the amount of interest payable during such period may be paid in the form of either (y) a number of Shares equal to such interest amount divided by S\$0.2763 (which is also the initial Conversion Price specified in the Refinancing Series B Convertible Bonds), ignoring fractions of Shares (and no cash adjustments will be made in respect thereof), such Shares to be issued on the same date as the issue date of the Refinancing Series B Convertible Bonds, or (z) where a Securityholder delivers a notice to receive Refinancing Series A Non-Convertible Bonds, an equivalent principal amount of Interest Notes to be issued by the Issuer on the same date as the issue date of the Refinancing Series A Non-Convertible Bonds as described in paragraph (e) below;

- (ii) approval be and is hereby given for the amendment of the interest provisions of the relevant Series of Securities such that no interest shall accrue or be payable on the relevant Series of Securities from and including the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed, provided that Shareholders approve the Shareholders' Extraordinary Resolution(s) on or before 31 March 2018<sup>3</sup>;
  - (iii) the Securityholders of the relevant Series of Securities waive the non-payment of any and all interest on the relevant Series of Securities (other than the interest described in paragraph (a)(i) above) that was or would be due and payable on all relevant Interest Payment Dates, as the case may be, that occurred or will occur on or after the Interest Payment Date immediately preceding the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed, and the occurrence of any Event of Default or, as the case may be, Potential Event of Default as a result of any such non-payment of the interest on the relevant Series of Securities that was or would be due and payable on all such Interest Payment Dates; and
  - (iv) if the Shareholders' Extraordinary Resolution(s) are not passed by Shareholders on or before 31 March 2018, the Rate of Interest, the Interest Payment Dates and form of payment of the relevant amount of interest applicable to the relevant Series of Securities shall revert to the Rate of Interest, Interest Payment Dates and form of payment applicable prior to the date of this Extraordinary Resolution No. 1 of the relevant Series of Securities as if the amendments described in paragraphs (a)(i) and (a)(ii) above were not approved and the waiver described in paragraph (a)(iii) were not granted, in each case provided that where an Interest Payment Date occurs on or prior to 31 March 2018, then it shall not be an Event of Default or a Potential Event of Default if the Issuer pays the amount of interest that is due and payable on such Interest Payment Date within 30 days of the earlier of the Shareholders' Meeting or 31 March 2018;
- (b) the Securityholders of the relevant Series of Securities waive any requirement, covenant and term in the MTN Trust Deed and the relevant Series of Securities that would be breached as a result of or arising in connection with the Refinancing and the transactions contemplated thereby and waive the occurrence of any Event of Default or, as the case may be, Potential Event of Default that may have occurred or may occur in connection with the Refinancing and the transactions contemplated thereby;

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<sup>3</sup> Note: Securityholders of the relevant Series of Securities will receive 0.25% per annum under the Refinancing Series A Non-Convertible Bonds or the Refinancing Series B Convertible Bonds, as the case may be, from and including the date of Extraordinary Resolution No. 1, provided that Shareholders approve the Shareholders' Extraordinary Resolution(s).

- (c) approval be and is hereby given for the deletion of the financial covenants set out in Clause 5.2 of the MTN Trust Deed and Condition 4(b) of the relevant Series of Securities, the Securityholders of the relevant Series of Securities waive any requirement, covenant and term in the MTN Trust Deed and the relevant Series of Securities that would be breached as a result of any non-compliance with Clause 5.2 of the MTN Trust Deed and Condition 4(b) of the relevant Series of Securities and waive the occurrence of any Event of Default or, as the case may be, Potential Event of Default that may have occurred or may occur in connection with any existing or future non-compliance with the financial covenants contained in Clause 5.2 of the MTN Trust Deed and Condition 4(b) of the relevant Series of Securities;
- (d) approval be and is hereby given for the amendment of the negative pledge set out in Clause 5.1 of the MTN Trust Deed and Condition 4(a) of the relevant Series of Securities to insert an additional exception allowing the Issuer and its Subsidiaries to grant any security in connection with the transactions contemplated by the Refinancing, and the Securityholders of the relevant Series of Securities waive any requirement, covenant and term in the MTN Trust Deed and the relevant Series of Securities which would be breached and the occurrence of any Event of Default or, as the case may be, Potential Event of Default that may have occurred or may occur as a result of or arising in connection with the grant of any security in connection with the transactions contemplated by the Refinancing;
- (e) approval be and is hereby given for the addition in Condition 6 of the relevant Series of Securities of an additional redemption option to provide that the Issuer may redeem all (but not some only) of the relevant Series of Securities, at its option, by giving no fewer than five days' notice of such redemption, on any date falling on or prior to 30 days after the Shareholders' Extraordinary Resolution(s) are passed (the "**Redemption Date**"), at the Refinancing Redemption Amount payable in the form of (i) Refinancing Series B Convertible Bonds to be issued by the Issuer at an issue price of 100 per cent. of the principal amount of the Refinancing Series B Convertible Bonds and/or (ii) Refinancing Series A Non-Convertible Bonds to be issued by the Issuer at an issue price of 100 per cent. of the principal amount of the Refinancing Series A Non-Convertible Bonds, if and to the extent elected by the Securityholders of the relevant Series of Securities on or prior to the last date that voting instruction forms could be validly submitted with respect to this Extraordinary Resolution No. 1 of the relevant Series of Securities, and where the Issuer does not receive any such notice of election with respect to the relevant Series of Securities on or prior to such date, the Issuer shall pay the Refinancing Redemption Amount in the form of Refinancing Series B Convertible Bonds;
- (f) approval be and is hereby given for the addition and, where appropriate, deletion of consequential provisions in the MTN Trust Deed and the relevant Series of Securities relating to any of the above;
- (g) every abrogation, modification, compromise or arrangement in respect of the rights of the Securityholders appertaining to the relevant Series of Securities against the Issuer involved in or resulting from the modifications referred to in paragraphs (a) to (f) of this Extraordinary Resolution No. 1 of the relevant Series of Securities be sanctioned;
- (h) the MTN Trustee be authorised, directed, empowered and requested to concur in the modifications referred to in paragraphs (a) to (g) of this Extraordinary Resolution No. 1 of the relevant Series of Securities and execute all documents, notices, forms, instruments, consents or agreements (including, without limitation, the Supplemental Trust Deed in the form of the draft to be produced at the Meeting and, for the purposes of identification, signed by the Chairman of the Meeting, with such amendments (if any) as the MTN Trustee may approve or require) to give effect to and to implement this Extraordinary Resolution No. 1 of the relevant Series of Securities on such terms and conditions as the MTN Trustee may in its absolute discretion decide and to concur in and do all acts and things as the

MTN Trustee may in its absolute discretion consider necessary, desirable or expedient to give effect to and implement this Extraordinary Resolution No. 1 of the relevant Series of Securities; and

- (i) the MTN Trustee be discharged and exonerated from all liability for which it may become responsible under the MTN Trust Deed or the relevant Series of Securities in respect of any act or omission in connection with the Extraordinary Resolution No. 1 of the relevant Series of Securities.

Capitalised or other terms used but not defined in this Extraordinary Resolution No. 1 shall, unless the context otherwise requires, have the meanings set out in the consent solicitation statement dated 23 October 2017 issued by Ezion Holdings Limited.”

## **EXTRAORDINARY RESOLUTION NO. 2**

### **FOR THE HOLDERS OF EACH OF THE SERIES 003 SECURITIES, SERIES 004 SECURITIES, SERIES 005 SECURITIES, SERIES 006 SECURITIES AND SERIES 007 SECURITIES**

“That:

If Extraordinary Resolution No. 1 is not passed in relation to the relevant Series of Securities:

- (a) the Securityholders of the relevant Series of Securities waive any requirement, covenant and term in the MTN Trust Deed and the relevant Series of Securities that would be breached as a result of or arising in connection with the Refinancing and the transactions contemplated thereby and waive the occurrence of any Event of Default or, as the case may be, Potential Event of Default that may have occurred or may occur in connection with the Refinancing and the transactions contemplated thereby;
- (b) approval be and is hereby given for the deletion of the financial covenants set out in Clause 5.2 of the MTN Trust Deed and Condition 4(b) of the relevant Series of Securities, the Securityholders of the relevant Series of Securities waive any requirement, covenant and term in the MTN Trust Deed and the relevant Series of Securities that would be breached as a result of any non-compliance with Clause 5.2 of the MTN Trust Deed and Condition 4(b) of the relevant Series of Securities and waive the occurrence of any Event of Default (as defined in the MTN Trust Deed) or, as the case may be, Potential Event of Default (as defined in the MTN Trust Deed) that may have occurred or may occur in connection with any existing or future non-compliance with the financial covenants contained in Clause 5.2 of the MTN Trust Deed and Condition 4(b) of the relevant Series of Securities;
- (c) approval be and is hereby given for the deletion of the negative pledge set out in Clause 5.1 of the MTN Trust Deed and Condition 4(a) of the relevant Series of Securities, and the Securityholders of the relevant Series of Securities waive any requirement, covenant and term in the MTN Trust Deed and the relevant Series of Securities which would be breached and waive the occurrence of any Event of Default or, as the case may be, Potential Event of Default that may have occurred or may occur as a result of or arising in connection with the grant of any security in connection with the transactions contemplated by the Refinancing;
- (d) approval be and is hereby given for the addition and, where appropriate, deletion of consequential provisions in the MTN Trust Deed and the relevant Series of Securities relating to any of the above;
- (e) every abrogation, modification, compromise or arrangement in respect of the rights of the Securityholders appertaining to the relevant Series of Securities against the Issuer involved in

or resulting from the modifications referred to in paragraphs (a) to (d) of this Extraordinary Resolution No. 2 of the relevant Series of Securities be sanctioned;

- (f) the MTN Trustee be authorised, directed, empowered and requested to concur in the modifications referred to in paragraphs (a) to (e) of this Extraordinary Resolution No. 2 of the relevant Series of Securities and execute all documents, notices, forms, instruments, consents or agreements (including, without limitation, the Supplemental Trust Deed in the form of the draft to be produced at the Meeting and, for the purposes of identification, signed by the Chairman of the Meeting, with such amendments (if any) as the MTN Trustee may approve or require) to give effect to and to implement this Extraordinary Resolution No. 2 of the relevant Series of Securities on such terms and conditions as the MTN Trustee may in its absolute discretion decide and to concur in and do all acts and things as the MTN Trustee may in its absolute discretion consider necessary, desirable or expedient to give effect to and implement this Extraordinary Resolution No. 2 of the relevant Series of Securities; and
- (g) the MTN Trustee be discharged and exonerated from all liability for which it may become responsible under the MTN Trust Deed or the relevant Series of Securities in respect of any act or omission in connection with this Extraordinary Resolution No. 2 of the relevant Series of Securities.

Capitalised or other terms used but not defined in this Extraordinary Resolution No. 2 shall, unless the context otherwise requires, have the meanings set out in the consent solicitation statement dated 23 October 2017 issued by Ezion Holdings Limited.”

#### **EXTRAORDINARY RESOLUTION NO. 1**

#### **FOR THE HOLDERS OF THE SERIES 008 SECURITIES**

“That:

- (a) in relation to the distributions for the Series 008 Securities:
  - (i) approval be and is hereby given for the amendment of the distribution provisions of the Series 008 Securities (including Condition 4 and items 8 and 19 of the Pricing Supplement relating to the Series 008 Securities) as follows:
    - A provided that Shareholders approve the Shareholders’ Extraordinary Resolution(s) on or before 31 March 2018, item 8(i) (Distribution Rate) and item 19(vii) (Other terms relating to the method of calculating interest for Fixed Rate Perpetual Securities) of such Pricing Supplement shall be amended to the effect that the Distribution Rate shall be:
      - (1) in respect of the period from, and including, the Distribution Commencement Date to but excluding the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed (the “**Distribution Payment Reset Date**”), 7.00 per cent. per annum;
      - (2) in respect of the period from, and including, the Distribution Payment Reset Date to but excluding the Step-Up Date, 0.25 per cent. per annum; and

- (3) in respect of the period from, and including, the Step-Up Date and each Reset Date falling thereafter to, but excluding the immediately following Reset Date, the Relevant Reset Distribution Rate,

where “**Step-Up Date**” shall mean the date that is seven years after the Distribution Payment Reset Date and “**Relevant Reset Distribution Rate**” shall be 1.25% per annum with respect to the Step-Up Date and shall increase from the Distribution Rate applicable on the immediately preceding Reset Date (or, in relation to the Reset Date immediately after the Step-Up Date, the Step-Up Date) by 1.00% per annum on each immediately succeeding Reset Date falling thereafter;

- B with respect to any Arrears of Distribution (and any Additional Distribution Amount) or any distribution that accrues from the Distribution Payment Date immediately preceding the date of this Extraordinary Resolution No. 1 of the Series 008 Securities to but excluding the Distribution Payment Reset Date, provided that Shareholders approve the Shareholders’ Extraordinary Resolution(s) on or before 31 March 2018, such amount of any Arrears of Distribution (and any Additional Distribution Amount) or distribution payable during such period may be paid in the form of either (y) a number of Shares equal to any Arrears of Distribution or such distribution amount divided by S\$0.2763 (which is also the initial Conversion Price to be specified in the amended Series 008 Securities), ignoring fractions of Shares (and no cash adjustments will be made in respect thereof), such Shares to be issued on the same date as the date the conversion feature as described in paragraph (c) shall apply, or (z) where a holder of the Series 008 Securities delivers a notice to receive Refinancing Series C Non-Convertible Bonds, an equivalent principal amount of Distribution Notes to be issued by the Issuer on the issue date of the Refinancing Series C Non-Convertible Bonds;
- C item 19(ii) of such Pricing Supplement (Distribution Payment Date(s)) shall be amended to the effect that the existing Distribution Payment Dates of 19 May and 19 November in each year shall apply only to such dates that occur prior to the Distribution Payment Reset Date; and any Distribution Payment Date that will occur on or after the Distribution Payment Reset Date shall be such that each Distribution Payment Date immediately after the Distribution Payment Reset Date occurs semi-annually on the same day and month as, and the same day but six calendar months after the month of, the Distribution Payment Reset Date, as the case may be; and
- D Condition 4(g) of the Series 008 Securities shall be amended to the effect that (1) the amount of distribution payable on each Distribution Payment Date shall be the product of the Distribution Rate, S\$50,000 and the Day Count Fraction for the period from and including the Distribution Payment Date immediately preceding such Distribution Payment Date (or, if such Distribution Payment Date is the first Distribution Payment Date after the Distribution Payment Reset Date, the Distribution Payment Reset Date) to but excluding the such Distribution Payment Date;
- (ii) (A) the waiver of the non-payment of any and all distribution (other than the distribution described in paragraph (a)(i) above) that was or would be due and

payable on all relevant Distribution Payment Dates, as the case may be, that occurred or will occur on or after the Distribution Payment Date immediately preceding the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed, and (B) the agreement that any such non-payment shall not constitute a non-payment under Condition 9(a), a failure to make payment under Condition 9(b), nor give rise to a right to institute proceedings or take any action against the Issuer under Conditions 9(c), 9(d) and 9(e) of the Series 008 Securities; and

- (iii) if the Shareholders' Extraordinary Resolution(s) is not passed by Shareholders on or before 31 March 2018, the Distribution Rate and form of payment of the relevant amount of distribution or any Arrears of Distribution (and any Additional Distribution Amount) shall revert to the Distribution Rate and form of payment applicable prior to the date of this Extraordinary Resolution No. 1 of the Series 008 Securities as if the amendments described in paragraph (a)(i) above were not approved and the waiver described in paragraph (a)(ii) above were not granted, in each case provided that where a Distribution Payment Date occurs on or prior to 31 March 2018, then it shall not be a non-payment under Condition 9(a), a failure to make payment under Condition 9(b), nor give rise to a right to institute proceedings or take any action against the Issuer under Conditions 9(c), 9(d) and 9(e) of the Series 008 Securities if the Issuer pays the amount of distribution or any Arrears of Distribution (and any Additional Distribution Amount) that are to be due and payable on such Distribution Payment Date or on any other relevant date within 30 days of the earlier of the Shareholders' Meeting or 31 March 2018;
- (b) the approval to amend the Specified Denominations and Calculation Amount in item 6 of the Pricing Supplement relating to the Series 008 Securities and to amend the Early Redemption Amount(s) per Calculation Amount payable on redemption and/or the method of calculating the same in item 10(i) of such Pricing Supplement from S\$250,000 to S\$50,000;
- (c) the approval to amend item 13 of the Pricing Supplement relating to the Series 008 Securities to make applicable, to become effective on the effective date of the Supplemental Trust Deed referred to in paragraph (g) below (the "**Effective Date**"), which Effective Date shall occur on or prior to 30 days after the Shareholders' Extraordinary Resolution(s) are passed (the "**Redemption Date**"), and upon the occurrence of such Effective Date, such Condition 4(k), to be amended as appropriate so that the conversion provisions relating to the Refinancing Series B Convertible Bonds are also reflected in Condition 4(k) *mutatis mutandis*, shall apply to the Series 008 Securities other than the Expiration Date, which (in the case of the Series 008 Securities) shall be on the date that is four years from the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed;
- (d) the approval for the addition in Condition 5 of the Series 008 Securities of an additional redemption option to provide that on the Effective Date, the Issuer shall, if and to the extent elected by the Securityholders of the relevant Series of Securities on or prior to the last date that voting instruction forms could be validly submitted with respect to this Extraordinary Resolution No. 1, redeem the Series 008 Securities of such holder on or before the Effective Date at the Refinancing Redemption Amount, payable entirely in the form of Refinancing Series C Non-Convertible Bonds to be issued by the Issuer at an issue price of 100 per cent. of the principal amount of the Refinancing Series C Non-Convertible Bonds. For the avoidance of doubt, such additional redemption option shall not apply to (and the Issuer shall not redeem) any Series 008 Securities where the Issuer does not receive any such notice of election with respect to such Series 008 Securities on or prior to the last date that voting



instruction forms could be validly submitted with respect to this Extraordinary Resolution No. 1;

- (e) the approval for the addition and, where appropriate, deletion of consequential provisions in the MTN Trust Deed and the Series 008 Securities relating to any of the above;
- (f) every abrogation, modification, compromise or arrangement in respect of the rights of the Securityholders appertaining to the Series 008 Securities against the Issuer involved in or resulting from the modifications referred to in paragraphs (a) to (e) of this Extraordinary Resolution No. 1 of the Series 008 Securities be sanctioned;
- (g) the MTN Trustee be authorised, directed, empowered and requested to concur in the modifications referred to in paragraphs (a) to (f) of this Extraordinary Resolution No. 1 of the Series 008 Securities and execute all documents, notices, forms, instruments, consents or agreements (including, without limitation, the Supplemental Trust Deed in the form of the draft to be produced at the Meeting and, for the purposes of identification, signed by the Chairman of the Meeting, with such amendments (if any) as the MTN Trustee may approve or require) to give effect to and to implement this Extraordinary Resolution No. 1 of the Series 008 Securities on such terms and conditions as the MTN Trustee may in its absolute discretion decide and to concur in and do all acts and things as the MTN Trustee may in its absolute discretion consider necessary, desirable or expedient to give effect to and implement this Extraordinary Resolution No. 1 of the Series 008 Securities; and
- (h) the MTN Trustee be discharged and exonerated from all liability for which it may become responsible under the MTN Trust Deed or the Series 008 Securities in respect of any act or omission in connection with this Extraordinary Resolution No. 1 of the Series 008 Securities.

Capitalised or other terms used but not defined in this Extraordinary Resolution No. 1 shall, unless the context otherwise requires, have the meanings set out in the consent solicitation statement dated 23 October 2017 issued by Ezion Holdings Limited.”

**(1) Background**

All references to “Meeting” or “Meetings” shall, unless the context otherwise requires, also mean any adjourned Meeting or (as the case may be) Meetings.

The Consent Solicitation Statement relating to the Extraordinary Resolutions and the Proposal, a copy of which will be mailed to the holders of each Series of Securities with an address in Singapore and will be made available for collection by the holders of each Series of Securities as indicated below, explains the background to and reasons for, gives details of, and invites Securityholders to approve (at the relevant Meeting), *inter alia*, as follows:

In relation to the Series 003 Securities, Series 004 Securities, Series 005 Securities, Series 006 Securities and Series 007 Securities:

- (a) (i) amend the interest provisions of each such Series of Securities to reduce the Rate of Interest, and issue Interest Notes or Shares in payment of the applicable interest due up to the date the first of any of the Extraordinary Resolution No. 1 of any Series of Securities is passed, (ii) waive the non-payment of any and all interest on each such Series of Securities and (iii) waive the occurrence of any existing or future Event of Default or, as the case may be, Potential Event of Default as a result of any such non-payment of interest;

- (b) waive the occurrence of any existing or future Event of Default or, as the case may be, Potential Event of Default as described herein;
- (c) delete the financial covenants and waive non-compliance with any such covenant and term in the MTN Trust Deed and the relevant Series of Securities;
- (d) amend the negative pledge and waive non-compliance with any such covenant and term in the MTN Trust Deed and the relevant Series of Securities; and
- (e) add an additional redemption option to provide that the Issuer may redeem all (but not some only) of the Relevant Series of Securities at the Refinancing Redemption Amount, payable entirely in the form of an equivalent principal amount of Refinancing Series B Convertible Bonds, unless the Securityholders of the relevant Series of Securities elects to receive an equivalent principal amount of Refinancing Series A Non-Convertible Bonds,

and if the foregoing is not passed by the Securityholders of the relevant Series of Securities (other than the Series 008 Securities), to approve at the same Meeting immediately after the results of the voting with respect to the foregoing is announced, to provide certain waivers and amend certain provisions of such Series of Securities (other than the Series 008 Securities) as follows:

- (a) waive the occurrence of any existing or future Event of Default or, as the case may be, Potential Event of Default as described herein;
- (b) delete the financial covenants and waive non-compliance with any such covenant and term in the MTN Trust Deed and the Securities (other than the Series 008 Securities); and
- (c) delete the negative pledge and waive non-compliance with any such covenant and term in the MTN Trust Deed and the relevant Series of Securities (other than the Series 008 Securities); and

In relation to the Series 008 Securities:

- (a) (i) amend the distribution provisions of the Series 008 Securities to reduce the Distribution Rate, issue Distribution Notes or Shares in payment of the applicable distribution due up to the date the first of the Extraordinary Resolution No. 1 of any Series of Securities is passed, (ii) amend the step-up distribution provision, (iii) waive the non-payment of any and all distribution on such Securities (other than as specified), and (iv) agree that any such non-payment shall not be a non-payment event, not be a failure to make payment, nor give rise to a right to institute proceedings or take any action against the Issuer;
- (b) amend the Series 008 Securities to enable the Series 008 Securities to be convertible; and
- (c) add an additional redemption option to the Series 008 Securities to provide that if the Series 008 Securities becomes so convertible, a holder of the Series 008 Securities may elect to require the Issuer to redeem the Series 008 Securities of such holder at the Refinancing Redemption Amount, payable entirely in the form of an equivalent principal amount of Refinancing Series C Non-Convertible Bonds,

all as more fully described in the Consent Solicitation Statement (the “**Proposal**”).

If the Extraordinary Resolution No. 1 and, if applicable for the relevant Series of Securities, the Extraordinary Resolution No. 2, for a Series is duly passed at the relevant Meeting, the waivers

contained therein will become immediately effective, and will become immediately binding on all Securityholders of the relevant Series to which such Extraordinary Resolution relates. While the Supplemental Trust Deed for the relevant Series of Securities is expected to be executed if and promptly after the applicable Extraordinary Resolution of such Series of Securities is duly passed, the proposed amendments to the terms of the MTN Trust Deed and the Conditions of such Series of Securities as described in such Extraordinary Resolution will not become effective until the conditions precedent contained in such Supplemental Trust Deed have been satisfied and/or waived (including the passing of the Shareholders' Extraordinary Resolution(s)).

If such conditions precedent are satisfied and/or (other than the passing of the Shareholders' Extraordinary Resolution(s)) waived, the Issuer will have the right, at its option by giving no fewer than five days' notice, redeem all (but not some only) of the Securities of such Series as described above. If such redemption takes place, the Securities of such Series will no longer be outstanding and the Securityholders of such Series will not be entitled to any further payments in respect of the Securities of such Series after such redemption.

A Securityholder who submits or delivers Voting Instructions voting in favour of both Extraordinary Resolutions of the relevant Series of Securities (other than the Series 008 Securities) or, in relation to the Series 008 Securities, voting in favour of Extraordinary Resolution No. 1, in each case on or prior to the Consent Deadline (and such Voting Instruction is not subsequently revoked or amended) will, subject to the fulfilment of the Settlement Conditions, be eligible to receive a payment by the Issuer of 6,000 Consent Fee Shares for every S\$250,000 in principal amount of the Securities of the relevant Series which are the subject of such Voting Instruction, such payment to be in the form of Shares to be issued at an issue price of S\$0.2763 per Share, subject to the Settlement Conditions being fulfilled. If a Securityholder who is entitled to the Consent Fee elects to receive Refinancing Series A Non-Convertible Bonds or Refinancing Series C Non-Convertible Bonds, such Securityholder shall be deemed to have instructed the Issuer to sell, and the Issuer may make arrangements (at its discretion) for the sale of, such number of Shares such Securityholder would be entitled to, and the proceeds of such sale (after deduction of any applicable brokerage fees and applicable taxes) shall be paid to such Securityholder. Details of eligibility to receive, and payment of, the Consent Fee may be found in the section hereof entitled "Consent Fee".

All of the dates and times herein are subject to earlier deadlines or other timings that may be set by The Central Depository (Pte) Limited ("CDP") or any intermediary.

Securityholders are advised to check with the bank, securities broker, CDP or other intermediary through which they hold their Securities whether such intermediary applies different deadlines for any of the events specified herein, and then to adhere to such deadlines if such deadlines are prior to the deadlines set out herein.

THE CONSENT SOLICITATION STATEMENT IS IMPORTANT AND REQUIRES SECURITYHOLDERS' IMMEDIATE ATTENTION. If Securityholders are in doubt about any aspect of the Proposal and/or the action Securityholders should take, Securityholders should consult immediately their respective stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

## (2) Procedure For Inspection And Collection Of Documents

### 2.1. Inspection

Securityholders may, in respect of:

- (a) the Series 003 Securities, from 23 October 2017, between 8.30 a.m. to 5.00 p.m. (Singapore time) from Mondays to Fridays (excluding public holidays), up to 9.00 a.m. (Singapore time) on 18 November 2017;
- (b) the Series 004 Securities, from 23 October 2017, between 8.30 a.m. to 5.00 p.m. (Singapore time) from Mondays to Fridays (excluding public holidays), up to 9.30 a.m. (Singapore time) on 18 November 2017;
- (c) the Series 005 Securities, from 23 October 2017, between 8.30 a.m. to 5.00 p.m. (Singapore time) from Mondays to Fridays (excluding public holidays), up to 10.00 a.m. (Singapore time) on 18 November 2017;
- (d) the Series 006 Securities, from 23 October 2017, between 8.30 a.m. to 5.00 p.m. (Singapore time) from Mondays to Fridays (excluding public holidays), up to 10.30 a.m. (Singapore time) on 18 November 2017;
- (e) the Series 007 Securities, from 23 October 2017, between 8.30 a.m. to 5.00 p.m. (Singapore time) from Mondays to Fridays (excluding public holidays), up to 11.00 a.m. (Singapore time) on 18 November 2017; and
- (f) the Series 008 Securities, from 23 October 2017, between 8.30 a.m. to 5.00 p.m. (Singapore time) from Mondays to Fridays (excluding public holidays), up to 11.30 a.m. (Singapore time) on 19 November 2017,

inspect copies of the following documents at the office of Tricor Singapore Pte. Ltd. (trading as Tricor Barbinder Share Registration Services), in its capacity as the meeting agent (the “**Meeting Agent**”), at 80 Robinson Road, #11-02, Singapore 068898 (the “**Meeting Agent’s Office**”), and, from the time 15 minutes prior to and during the relevant Meeting at 8 Wilkie Road, #03-08 Wilkie Edge, Singapore 228095:

- (a) the MTN Trust Deed (including the Conditions of the Securities);
- (b) (in respect of the holders of the Series 003 Securities) the Pricing Supplement dated 20 May 2013 relating to the Series 003 Securities;
- (c) (in respect of the holders of the Series 004 Securities) the Pricing Supplement dated 16 August 2013 relating to the Series 004 Securities;
- (d) (in respect of the holders of the Series 005 Securities) the Pricing Supplement dated 21 January 2014 relating to the Series 005 Securities;
- (e) (in respect of the holders of the Series 006 Securities) the Pricing Supplement dated 11 March 2014 relating to the Series 006 Securities;
- (f) (in respect of the holders of the Series 007 Securities) the Pricing Supplement dated 6 June 2014 relating to the Series 007 Securities; and

- (g) (in respect of the holders of the Series 008 Securities) the Pricing Supplement dated 17 November 2014 relating to the Series 008 Securities.

## 2.2. Collection

Copies of the Consent Solicitation Statement will be mailed to the Securityholders with an address in Singapore. The forms of the Voting Instruction Form as well as the Tax Residency Declaration Form (both as referred to below) are appended to the Consent Solicitation Statement. In addition, Securityholders may collect copies of the Consent Solicitation Statement, the Voting Certificate, the Voting Instruction Form and the Tax Residency Declaration Form at the Meeting Agent's Office from:

- (a) (in respect of the Series 003 Securities) 23 October 2017, between 8.30 a.m. to 5.00 p.m. (Singapore time) from Mondays to Fridays (excluding public holidays), up to 9.00 a.m. (Singapore time) on 18 November 2017;
- (b) (in respect of the Series 004 Securities) 23 October 2017, between 8.30 a.m. to 5.00 p.m. (Singapore time) from Mondays to Fridays (excluding public holidays), up to 9.30 a.m. (Singapore time) on 18 November 2017;
- (c) (in respect of the Series 005 Securities) 23 October 2017, between 8.30 a.m. to 5.00 p.m. (Singapore time) from Mondays to Fridays (excluding public holidays), up to 10.00 a.m. (Singapore time) on 18 November 2017;
- (d) (in respect of the Series 006 Securities) 23 October 2017, between 8.30 a.m. to 5.00 p.m. (Singapore time) from Mondays to Fridays (excluding public holidays), up to 10.30 a.m. (Singapore time) on 18 November 2017;
- (e) (in respect of the Series 007 Securities) 23 October 2017, between 8.30 a.m. to 5.00 p.m. (Singapore time) from Mondays to Fridays (excluding public holidays), up to 11.00 a.m. (Singapore time) on 18 November 2017; and
- (f) (in respect of the Series 008 Securities) 23 October 2017, between 8.30 a.m. to 5.00 p.m. (Singapore time) from Mondays to Fridays (excluding public holidays), up to 11.30 a.m. (Singapore time) on 19 November 2017.

## (3) **General**

In accordance with market practice, none of the MTN Trustee, the MTN Issuing and Paying Agent, the Refinancing Bonds Trustee, the Refinancing Bonds Principal Paying Agent, the Refinancing Bonds Registrar or the Meeting Agent expresses any opinion on the merits of the Extraordinary Resolutions or the Proposal. None of the MTN Trustee, the MTN Issuing and Paying Agent, the Refinancing Bonds Trustee, the Refinancing Bonds Principal Paying Agent, the Refinancing Bonds Registrar or the Meeting Agent has been involved in the formulation or negotiation of the Proposal. Securityholders should also note that the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent, the Refinancing Bonds Trustee, the Refinancing Bonds Principal Paying Agent, the Refinancing Bonds Registrar and the Meeting Agent cannot and do not offer any advice on investment risks, if any, faced by Securityholders. Securityholders who are unsure of the consequences of the Extraordinary Resolution or the Proposal should seek their own independent financial, tax and legal advice.

The attention of Securityholders is particularly drawn to the quorum required for a Meeting and for an adjourned Meeting which is set out in the sections hereof entitled "Voting Procedures" and "Quorum and Adjournment" respectively.

The Consent Solicitation Statement does not constitute or form part of, and should not be construed as, an offer for sale or subscription of, or a solicitation of any offer to buy or subscribe for, any securities of the Issuer or any other entity. The distribution of the Consent Solicitation Statement may nonetheless be restricted by law in certain jurisdictions. In order to avoid any violation of laws applicable in countries other than Singapore, the Consent Solicitation Statement has not been and will not be mailed to Securityholders who do not currently have an address in Singapore (“**Foreign Securityholders**”). Foreign Securityholders who wish to obtain a copy of the Consent Solicitation Statement should provide in writing an address in Singapore to the Meeting Agent no fewer than five Business Days (as defined herein) before the Expiration Time.

The Consent Solicitation Statement does not constitute a solicitation in any circumstances in which such solicitation is unlawful. None of the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent, the Refinancing Bonds Trustee, the Refinancing Bonds Principal Paying Agent, the Refinancing Bonds Registrar or the Meeting Agent will incur any liability for its own failure or the failure of any other person or persons to comply with the provisions of any such restrictions.

#### **(4) Voting Procedures**

The relevant provisions governing the convening and holding of a Meeting are set out in the Third Schedule of the MTN Trust Deed, copies of which are available for inspection as referred to above.

To be eligible to attend or vote at a Meeting either in person or by proxy, Securityholders should complete and sign a Voting Instruction Form to instruct the Meeting Agent to (a) (in the case of Securities other than the Series 008 Securities) either issue a Voting Certificate or comply with a Voting Instruction or (b) (in the case of the Series 008 Securities) notify the Issuer of the appointment of such Securityholder or any other person as CDP’s proxy for the purposes of attending the Meeting. Such Voting Instruction Form must be submitted to the Meeting Agent at the Meeting Agent’s Office by the Expiration Time.

In the case of Securityholders who are individuals, copies of such Securityholder’s passport or identity card will have to be submitted to the Meeting Agent together with the Voting Instruction Form.

Securityholders should note that the latest time and date (in the case of Securities other than the Series 008 Securities) for obtaining a Voting Certificate and (in the case of all Securities including the Series 008 Securities) for issuing, amending or revoking a Voting Instruction (the “**Expiration Time**”) is:

- (a) (in respect of the Series 003 Securities) 9.00 a.m. (Singapore time) on 18 November 2017;
- (b) (in respect of the Series 004 Securities) 9.30 a.m. (Singapore time) on 18 November 2017;
- (c) (in respect of the Series 005 Securities) 10.00 a.m. (Singapore time) on 18 November 2017;
- (d) (in respect of the Series 006 Securities) 10.30 a.m. (Singapore time) on 18 November 2017;
- (e) (in respect of the Series 007 Securities) 11.00 a.m. (Singapore time) on 18 November 2017;  
and
- (f) (in respect of the Series 008 Securities) 11.30 a.m. (Singapore time) on 19 November 2017.

Securityholders who take the action described below and in the Consent Solicitation Statement prior to the Expiration Time need take no further action in relation to voting at the relevant Meeting in respect of the Extraordinary Resolutions.

- (a) If a Securityholder wishes (in the case of Securities other than the Series 008 Securities) to obtain a Voting Certificate or (in the case of the Series 008 Securities) to be appointed a proxy, as the case may be, in respect of the relevant Securities for the purposes of attending the Meeting, such Securityholder must deposit a validly completed Voting Instruction Form for that purpose (a) (in the case of Securities other than the Series 008 Securities) at least 48 hours before the time fixed for the Meeting with the Meeting Agent or (b) (in the case of the Series 008 Securities) at least 24 hours before the time fixed for the Meeting with the Meeting Agent. The Meeting Agent shall then issue a Voting Certificate in respect of it or notify the Issuer of the appointment of such proxy, as the case may be. Securityholders without a Voting Certificate (in the case of Securities other than the Series 008 Securities) or Securityholders who have not been appointed as proxies (in the case of the Series 008 Securities) will not be allowed to attend and vote at the Meeting.
- (b) If any Securityholder (including a Beneficial Owner) does not wish to attend the Meeting personally, such Securityholder may instruct the Meeting Agent to appoint any employee, officer or agent of the Meeting Agent so designated by the Meeting Agent to attend the Meeting as proxy and to vote on the relevant Extraordinary Resolution through a Voting Instruction, in which such Securityholder or its duly authorised representatives shall direct the Meeting Agent as to how these votes are to be cast at the Meeting according to the wishes of such Securityholder and in respect of the aggregate principal amount of the Securities held by such Securityholder.
- (c) In the case of Securities other than the Series 008 Securities, if a Securityholder wishes the votes attributable to it to be included in a block voting instruction for the Meeting, then, at least 48 hours before the time fixed for the Meeting, (a) such Securityholder must deposit a validly completed Voting Instruction Form for that purpose with the Meeting Agent and (b) such Securityholder or a duly authorised person on its behalf must direct the Meeting Agent on how those votes are to be cast at the Meeting.
- (d) Each Securityholder is to note that, upon the delivery of the validly completed Voting Instruction Form to the Meeting Agent, the Meeting Agent will proceed to request CDP to earmark the direct securities account or securities sub-account in which the Securityholder's Securities are credited and Securities so earmarked will not be released until:
- a. (in the case where the Extraordinary Resolution No. 1 of the relevant Series of Securities and the Shareholders' Extraordinary Resolution(s) has each been duly passed on or before 31 March 2018) the Redemption Date;
  - b. (in the case where the Extraordinary Resolution No. 1 of the relevant Series of Securities has been duly passed but the Shareholders' Extraordinary Resolution(s) has not been duly passed by Shareholders on or before 31 March 2018), the business day after the 31 March 2018;
  - c. (in the case where the Extraordinary Resolution No. 1 of the relevant Series of Securities has not been passed) the conclusion of the Meeting (or, if applicable, any adjournment of the Meeting);
  - d. (in the case where the Consent Solicitation is terminated) the date of termination of the Consent Solicitation; or
  - e. in the case where:

- (i) in respect of a Voting Certificate, not less than 48 hours before the time for which the Meeting is convened, such Voting Certificate is surrendered to the Meeting Agent and the Meeting Agent notifies CDP of such surrender or of the compliance in such other manner with the rules of CDP; or
- (ii) in respect of instructions for votes to be included in a block voting instruction by way of a Voting Instruction Form, not less than 48 hours before the time for which the Meeting is convened, the Meeting Agent receives a notification in writing of any revocation of a Securityholder's previous instructions to the Meeting Agent and the same is notified in writing at least 24 hours before the time appointed for holding the Meeting by the Meeting Agent to the Issuer at its specified office or to the chairman of the Meeting; or
- (iii) in respect of the appointment of a proxy, not less than 24 hours before the time for which the Meeting is convened, the Meeting Agent receives a notification in writing of any revocation of a Securityholder's previous appointment of such proxy, and such Securities ceases in accordance with the procedures of CDP (with the agreement of the Meeting Agent) to be held to its order,

(the "Earmarking Period").

**During the Earmarking Period, the Securities which are the subject of a Voting Instruction Form may not be traded or transferred. Notwithstanding anything contained herein, Securityholders should note that the relevant Securities will be earmarked by CDP in accordance with its procedures and subject to its timings. Similarly, Securities so earmarked will also be released by CDP in accordance with its procedures and subject to its timings.**

Securityholders may not revoke or amend Voting Instructions at any time after the Expiration Time unless the Meeting is adjourned for want of a quorum, in which case Securityholders may revoke or amend Voting Instruction at any time at or prior to the Adjournment Instruction Deadline, after which time Securityholders may not revoke or amend Voting Instructions. Any notice of revocation or amendment received after such relevant time will not be effective.

**(5) Consent Fee**

If the Settlement Conditions are fulfilled, the Issuer shall, no later than 10 Business Days following the lifting of the suspension of trading of the Issuer's securities on the SGX-ST, pay the Consent Fee to those Securityholders who have delivered Voting Instructions voting in favour of both Extraordinary Resolutions of the relevant Series of Securities (other than the Series 008 Securities) or, in relation to the Series 008 Securities, voting in favour of Extraordinary Resolution No. 1, in each case on or prior to the Consent Deadline (and have not subsequently revoked or amended such instructions).

**Securityholders who deliver Voting Instructions voting against any Extraordinary Resolution of the relevant Series of Securities and/or after the Consent Deadline will not be eligible to receive the Consent Fee.**

Securityholders should note that Voting Instructions given in respect of the Meeting shall remain valid for any adjourned Meeting for want of a quorum (unless revoked or amended on or prior to the Adjournment Instruction Deadline).



The payment of the Consent Fee to each eligible Securityholder of the relevant Series of Securities is conditional upon the following:

- Securityholders duly passing the Extraordinary Resolution No. 1 in relation to such Series of Securities;
- Shareholders duly passing the Shareholders' Extraordinary Resolution(s);
- the lifting of the suspension from trading of the Issuer's securities on the SGX-ST; and
- such Securityholders duly completing and delivering to the Meeting Agent the duly completed Voting Instruction Form on or prior to the Consent Deadline and providing complete details (as specified in the Voting Instruction Form) of a valid CDP account or bank account with a bank in Singapore into which the Consent Fee should be credited,

(collectively, the "**Settlement Conditions**").

The Issuer may make arrangements, at the discretion of the Issuer, for the Consent Fee Shares that would otherwise have been issued to Securityholders electing to receive Refinancing Series A Non-Convertible Bonds or Refinancing Series C Non-Convertible Bonds, to be sold on the SGX-ST as soon as practicable, but in any case no later than five Business Days after the suspension from trading of the Issuer's securities is lifted.

Within 10 Business Days after the suspension from trading of the Issuer's securities is lifted, the net proceeds from all such sales, after deduction of all expenses and applicable taxes therefrom, will be pooled and thereafter distributed to such Securityholders in proportion to their respective holdings of Securities which are the subject of Voting Instructions voting in favour of the Extraordinary Resolution(s) in relation to such Series of Securities, and no Securityholder or any person acting for the account or benefit of such Securityholder shall have any claim whatsoever against the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent, the Refinancing Bonds Trustee, the Refinancing Bonds Principal Paying Agent, the Refinancing Bonds Registrar, the Meeting Agent, CDP or their respective officers in connection therewith. Where such Consent Fee Shares are sold on the SGX-ST, they will be sold at such price or prices as the Issuer may, in its absolute discretion, decide and no Securityholder or person acting for the account or benefit of such Securityholder shall have any claim whatsoever against the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent, the Refinancing Bonds Trustee, the Refinancing Bonds Principal Paying Agent, the Refinancing Bonds Registrar, the Meeting Agent, CDP or their respective officers in respect of such sales or the proceeds thereof or the allotment and issuance of Consent Fee Shares.

If such Consent Fee Shares cannot be or are not sold on the SGX-ST as aforesaid for any reason by the fifth Business Day after the suspension from trading of the Issuer's securities is lifted, the Consent Fee Shares will be disposed of or dealt with in such manner as the directors of the Issuer may, in their absolute discretion, deem fit for the benefit of the Issuer and no Securityholder or person acting for the account or benefit of such Securityholder shall have any claim whatsoever against the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent, the Refinancing Bonds Trustee, the Refinancing Bonds Principal Paying Agent, the Refinancing Bonds Registrar, the Meeting Agent, CDP or their respective officers in connection therewith.

Securityholders should note that the special arrangements described above will apply only to the Securityholders electing to receive Refinancing Series A Non-Convertible Bonds or Refinancing Series C Non-Convertible Bonds.

Those Securityholders who submit or deliver Voting Instructions voting in favour of both Extraordinary Resolutions of the relevant Series of Securities (other than the Series 008 Securities) or,

in relation to the Series 008 Securities, voting in favour of Extraordinary Resolution No. 1, in each case on or prior to the Consent Deadline and who wish to receive the Consent Fee must not subsequently revoke or amend such instructions. Securityholders will not be able to revoke or amend their Voting Instructions at any time after the Expiration Time or, if the Meeting is adjourned for want of a quorum, the Adjournment Instruction Deadline. During the period commencing on the Expiration Time and ending at the conclusion of the Meeting, Securityholders will not be able to submit or deliver Voting Instructions. Any Voting Instructions received during such period will not be effective.

If the Meeting is adjourned, then during the period commencing on the Adjournment Instruction Deadline and ending at the conclusion of the adjourned Meeting, Securityholders will not be able to submit or deliver Voting Instructions. Any Voting Instructions received during such period will not be effective. Securityholders who have not already submitted or delivered Voting Instructions on or prior to the Expiration Time may submit or deliver Voting Instructions, and Securityholders who have already submitted or delivered Voting Instructions on or prior to the Expiration Time may submit or deliver amended Voting Instructions during the period commencing at the conclusion of the original Meeting and ending on the Adjournment Instruction Deadline (but will not, for the avoidance of doubt, be entitled to the Consent Fee).

Provided that the Settlement Conditions are fulfilled, the Consent Fee will be credited to the account of a Securityholder eligible to receive such Consent Fee by not later than 10 Business Days following the lifting of the suspension from trading of the Issuer's securities on the SGX-ST. The Issuer may elect to waive any Settlement Condition at its sole and absolute discretion. In any event, none of the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent or the Meeting Agent shall be liable for any delay in payment of the Consent Fee arising from the bank account details in the relevant Voting Instruction Form not having been duly completed. None of the Issuer, the MTN Trustee, the MTN Issuing and Paying Agent or the Meeting Agent shall be responsible for ensuring that the Consent Fee is actually received by the Securityholders of the relevant Series of Securities.

**(6) Quorum and Adjournment**

The meeting provisions in the MTN Trust Deed require the proposals tabled in each of the Extraordinary Resolutions to be subject to the quorum provisions in paragraph 19 of Schedule 3 to the MTN Trust Deed. Under the provisions of the MTN Trust Deed, each of the Extraordinary Resolutions No. 1 proposed at the Meeting is a resolution to which the special quorum provisions in the MTN Trust Deed apply. Accordingly, the quorum required at each Meeting for the passing of the Extraordinary Resolutions No. 1 is two or more Securityholders or agents present in person holding or representing not less than 75 per cent. of the relevant Series of Securities for the time being outstanding. The quorum required at each Meeting for the passing of the Extraordinary Resolutions No. 2 is two or more Securityholders or agents present in person holding or representing more than 50 per cent. of the relevant Series of Securities for the time being outstanding.

No business (other than the choosing of a Chairman) shall be transacted unless the requisite quorum is present at the commencement of business.

If a quorum is not present within 15 minutes from the time appointed for the Meeting, the Meeting shall stand adjourned for such period, being not less than 14 days nor more than 42 days, and to such time and place as the Chairman may decide. At least 10 days' notice of such adjourned Meeting (exclusive of the day on which the notice is given and the day on which the Meeting is to be held) shall be given in the same manner as for the original Meeting and such notice shall state the required quorum at such adjourned Meeting. The quorum required at any adjourned Meeting for the passing of the Extraordinary Resolutions No. 1 is two or more Securityholders or agents present in person holding or

representing not less than 25 per cent. of the relevant Series of Securities for the time being outstanding. The quorum required at any adjourned Meeting for the passing of the Extraordinary Resolutions No. 2 is two or more Securityholders or agents present in person holding or representing any principal amount of the relevant Series of Securities for the time being outstanding.

Voting Instructions given in respect of the Meeting shall remain valid for any adjourned Meeting for want of a quorum (unless revoked or amended on or prior to the Adjournment Instruction Deadline).

**(7) Voting**

Each question submitted to the Meeting will be decided on a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman of the Meeting, the Issuer, the MTN Trustee or one or more persons representing two per cent. in principal amount of the Securities for the time being outstanding.

Unless a poll is demanded, a declaration by the chairman of the Meeting that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.

If a poll is demanded, it shall be taken in such manner and (subject as provided in Schedule 4 to the MTN Trust Deed) either at once or after such adjournment as the chairman of the Meeting directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the Meeting continuing for the transaction of business other than the question on which it has been demanded.

A poll demanded on the election of the chairman of the Meeting or on a question of adjournment shall be taken at once.

On a show of hands every person who is present in person and produces a Voting Certificate or is a proxy or representative shall have one vote. On a poll every such person has one vote in respect of each S\$1 (which is the relevant integral currency unit of the Specified Currency of the Securities) in principal amount of such Securities so produced or represented by the Voting Certificate so produced or for which it is a proxy or representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.

In case of equality of votes, the chairman of the Meeting shall both on a show of hands and on a poll have a casting vote in addition to any other votes which he may have.

**(8) Extraordinary Resolution**

Each of the Extraordinary Resolutions would need to be passed by at least 75 per cent. of the votes cast at the Meeting. The Extraordinary Resolution passed at such Meeting duly convened shall be binding upon all Securityholders, whether or not present at the Meeting, and on all the Couponholders (as defined in the MTN Trust Deed) and each of them shall be bound to give effect to it accordingly and the passing of such resolution shall be conclusive evidence that the circumstances justify its being passed.

**(9) Notice Of Results**

The Issuer must give notice of the passing of the relevant Extraordinary Resolution to Securityholders of the relevant Series of Securities within 14 days but failure to do so shall not invalidate the resolution.

**(10) Tax Note**

Certain tax-related disclosures are set out in the Consent Solicitation Statement.

**(11) Governing Law**

This notice is governed by, and shall be construed in accordance with, Singapore law.

**The Meeting Agent for the Meeting is:**

**TRICOR SINGAPORE PTE. LTD.**

**(TRADING AS TRICOR BARBINDER SHARE REGISTRATION SERVICES)**

80 Robinson Road, #11-02

Singapore 068898

Tel: (65) 6236 3550/3555

E-mail: [IS.Corporateactions@sg.tricorglobal.com](mailto:IS.Corporateactions@sg.tricorglobal.com)

BY ORDER OF THE BOARD

**EZION HOLDINGS LIMITED**

Cheah Boon Pin

Company Secretary

23 October 2017

**Appendix B**

**Form of Voting Instruction Forms**

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**VOTING INSTRUCTION FORM (only for Series 003)**

**EZION HOLDINGS LIMITED**  
(UEN/Company Registration No.: 199904364E)

For use in connection with the meeting (the “**Meeting**”) of the holders of the Series 003 S\$110,000,000 4.70 per cent. Notes due 2019 (ISIN: SG56F6993056) (the “**Securities**”) issued under the S\$1,500,000,000 Multicurrency Debt Issuance Programme of Ezion Holdings Limited (the “**Issuer**”)

Convened for 9.00 a.m. (Singapore time) on 20 November 2017 at  
8 Wilkie Road, #03-08 Wilkie Edge, Singapore 228095,  
and any adjourned meeting

To: Tricor Singapore Pte. Ltd.  
(trading as Tricor Barbinder Share Registration Services)  
80 Robinson Road, #11-02  
Singapore 068898  
(in its capacity as Meeting Agent for the Securities)  
(the “**Meeting Agent**”)

(This form is to be completed only by a Securityholder who holds the Securities in a CDP Direct Securities Account or a CDP Securities Sub-Account. See Notes (i) and (ii) below.)

Capitalised terms used herein but not defined shall have the meanings given to them in the Notice of Meeting dated 23 October 2017.

1. I/We, the undersigned, being the holder(s) of the Security(ies) of the principal amount and credited to the Direct Securities Account Number(s) or Securities Sub-Account Number(s) specified below (the “**Earmarked Securities**”), hereby instruct you as the Meeting Agent in accordance with the terms of Schedule 3 to the MTN Trust Deed to issue the following in respect of the Earmarked Securities:

a Voting Certificate in our favour on the terms set out in Schedule 3 to the MTN Trust Deed;

OR

a block voting instruction on the terms set out in Schedule 3 to the MTN Trust Deed and to appoint a proxy or proxies to cast the vote(s) in respect of the Earmarked Securities in accordance with paragraph 2 below.

(Please only tick one of the boxes as appropriate) (See Notes (i), (ii) and (iii) below)

Security: Series 003 S\$110,000,000 4.70 per cent. Notes due 2019 (ISIN: SG56F6993056)

Serial No.	Name and NRIC/Passport No. of Direct Securities Account Holder or Name of CDP Depository Agent (applicable where Securities Sub-Account Number is specified)	Address of Direct Securities Account Holder	*Direct Securities Account Number(s) *Securities Sub-Account Number(s)	Principal Amount (S\$) (now standing to the credit of the "Free Balance" in the Securities Account)	**Election to Receive Refinancing Series A Non-Convertible Bonds, or Refinancing Series B Convertible Bonds	
					<u>Option A</u> Receive Refinancing Series A Non-Convertible Bonds	<u>Option B</u> Receive Refinancing Series B Convertible Bonds

(\*Delete as appropriate) (See Note (iii) below)

(\*\*Insert principal amount of Securities under the relevant column or columns. Each figure must be in multiples of S\$250,000. The total principal amount in both columns must equal to the principal amount of Earmarked Securities in the immediately preceding column.)

^Please check that the total does not exceed the “Free Balance” in your Securities Account.

^^Please submit a copy of your passport (if you are not a Singapore citizen) or identity card (if you are a Singapore citizen). See Note (v) of this Voting Instruction Form.



**\*\*\*PARAGRAPH 2 SHOULD ONLY BE COMPLETED IF A BLOCK VOTING INSTRUCTION IS REQUESTED TO BE ISSUED. PLEASE DO NOT FILL IN PARAGRAPH 2 IF A VOTING CERTIFICATE IS REQUESTED TO BE ISSUED. PRIOR TO COMPLETING PARAGRAPH 2, PLEASE READ THE NOTES OVERLEAF.**

2. I/We instruct you that the votes attributable to my/our Earmarked Securities should be cast in favour of or against each Extraordinary Resolution set out in the Issuer's Notice of Meeting to Securityholders dated 23 October 2017 (the "**Notice**") to be put to the Meeting or any adjournment thereof as indicated below and I/we acknowledge that these instructions are neither revocable nor subject to amendment after the Expiration Time (and if I/we have provided these instructions to you on or prior to 5.00 p.m. (Singapore time) on 15 November 2017 (the "**Consent Deadline**") and I/we wish to obtain the Consent Fee, I/we will not revoke or amend such instructions after the Consent Deadline).

Security: Series 003 S\$110,000,000 4.70 per cent. Notes due 2019 (ISIN: SG56F6993056)

Serial No.	*Direct Securities Account Number(s)/ *Securities Sub-Account Number(s)	Name of Direct Account Holder or CDP Depository Agent (applicable where Securities Sub-Account Number is specified)	Principal Amount (S\$) (now standing to the credit of the "Free Balance" in the Securities Account)	Voting Instruction** to Meeting Agent in respect of Extraordinary Resolution No. 1		Voting Instruction** to Meeting Agent in respect of Extraordinary Resolution No. 2	
				IN FAVOUR (Please indicate with a ✓)	AGAINST (Please indicate with a ✓)	IN FAVOUR (Please indicate with a ✓)	AGAINST (Please indicate with a ✓)

(\*Delete as appropriate) (See Note (iii) below)

\*\* To be eligible to receive the Consent Fee, a Securityholder must vote IN FAVOUR of both Extraordinary Resolution No. 1 AND Extraordinary Resolution No. 2)

3. I/We authorise you to instruct CDP to earmark the quantity of Earmarked Securities indicated and held in the Direct Securities Account Number(s) or Securities Sub-Account Number(s) specified above in relation to my/our Earmarked Securities for the purposes of the Meeting or any adjourned Meeting. I/We further authorise you to instruct CDP to remove the earmark at the earliest of:
- (a) (in the case where Extraordinary Resolution No. 1 of the Securities and the Shareholders' Extraordinary Resolution(s) has each been duly passed on or before 31 March 2018) the Redemption Date;
  - (b) (in the case where Extraordinary Resolution No. 1 of the Securities has been duly passed but the Shareholders' Extraordinary Resolution(s) has not been duly passed by Shareholders on or before 31 March 2018), the business day after 31 March 2018;
  - (c) (in the case where Extraordinary Resolution No. 1 of the Securities have not been passed) the conclusion of the Meeting (or, if applicable, any adjournment of the Meeting);
  - (d) (in the case where the Consent Solicitation is terminated) the date of termination of the Consent Solicitation; and
  - (e) in the case where:
    - (i) I/we have requested for a Voting Certificate, not less than 48 hours before the time for which the Meeting is convened, my/our Voting Certificate is surrendered to the Meeting Agent and the Meeting Agent notifies CDP of such surrender or of the compliance in such other manner with the rules of CDP; or
    - (ii) I/we have given instructions for my/our votes to be included in a block voting instruction by way of a Voting Instruction Form, not less than 48 hours before the time for which the Meeting is convened, the Meeting Agent receives a notification in writing of my/our revocation of my/our previous instructions to the Meeting Agent and the same is notified in writing at least 24 hours before the time appointed for holding the Meeting by the Meeting Agent to the Issuer at its specified office or to the chairman of the Meeting.
4. (a) If I/we have elected for Option A, I/we instruct you to credit the net proceeds of the sale of any Consent Fee Shares (if applicable) my/our Singapore bank account set out below:
- (See Note (iv) below)
- Account Name : \_\_\_\_\_
- Account Number : \_\_\_\_\_
- Name of Bank : \_\_\_\_\_
- Bank Branch : \_\_\_\_\_
- Bank SWIFT Code : \_\_\_\_\_
- (only Singapore dollar accounts in Singapore may be specified)
- (b) If I/we have elected for Option B, I/we instruct you to credit the Consent Fee Shares (if applicable) to the Direct Securities Account or Securities Sub-Account specified in paragraph 1 above.
5. (a) If I/we have elected for Option A, I/we instruct you to register the Interest Note in the name of, and deliver the Interest Note to:

Name: .....

NRIC/Passport Number/UEN No.: .....

Address:.....

(b) If I/we have elected for Option B, I/we instruct you to deliver the Shares payable in respect of accrued interest to the Direct Securities Account or Securities Sub-Account specified in paragraph 1 above.

6. My/our contact details are as follows:

Name: ..... Tel No.:.....

NRIC/Passport Number: ..... Mobile No.:.....

Address:..... Fax No.:.....

Principal amount of Security(ies) which is/are the subject of this Voting Instruction Form:

S\$ .....

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 2017.

(\*Delete as appropriate)

Signature(s) or Common Seal(s) of Securityholder(s):

.....

(\* Common Seal(s) of Securityholder(s) to be affixed in the presence of authorised signatories whose signatures must be included in this Voting Instruction Form)

Notes:

- i. This form is to be completed only by a Securityholder whose Securities are credited in a CDP Direct Securities Account or a CDP Securities Sub-Account. If you hold Securities through a bank, custodian, nominee, broker or other depository, you need to instruct such bank, custodian, nominee, broker or other depository to complete this form on your behalf
- ii. If a Securityholder does not wish to attend and vote at the Meeting or any adjourned Meeting in person

but rather wishes a proxy to be appointed to attend and vote thereat on its behalf, it should, if its Securities are held by an authorised depository in Singapore,

- (a) instruct such authorised depository to hold it/them to the order of the Meeting Agent or earmarked in an account with a bank or other depository nominated by the Meeting Agent for this purpose and to notify the Meeting Agent in writing accordingly, no later than 9.00 a.m. (Singapore time) on 18 November 2017 or 48 hours prior to the time appointed for the holding of any such adjourned Meeting; and
  - (b) complete and execute this Voting Instruction Form and post or otherwise deposit it with the Meeting Agent so as to arrive on the Consent Deadline (if such Securityholder wishes to obtain the Consent Fee), but in any event no later than 9.00 a.m. (Singapore time) on 18 November 2017 or 48 hours prior to the time appointed for the holding of any such adjourned Meeting. The Meeting Agent will then complete a block voting instruction and appoint a proxy to attend and cast the vote(s) attributable to such Security(ies) at the Meeting as instructed by such Securityholder.
- iii. Please delete as appropriate. If no deletion is made, this Voting Instruction Form will be of no effect. Where possible, Securityholders who hold Securities on behalf of Beneficial Owners are requested to submit only one Voting Instruction Form in respect of their entire aggregate holding.
- iv. Securityholders who hold Security(ies) on behalf of Beneficial Owners are requested to specify only one account number to which the net proceeds of the sale of any Consent Fee Shares (if applicable) would be credited in respect of their entire aggregate holding. Such Securityholders are reminded that provided this is followed and subject to the Settlement Conditions, the Consent Fee (if applicable) would be credited to such specified account on the Settlement Date. The Issuer may elect to waive any Settlement Conditions at its sole and absolute discretion. In any event, none of the Issuer, the MTN Trustee, the Issuing and Paying Agent or the Meeting Agent shall be liable for any delay in payment of the Consent Fee arising from the bank account details in a Voting Instruction Form not having been duly completed. None of the Issuer, the MTN Trustee, the Issuing and Paying Agent or the Meeting Agent will be responsible for ensuring that the Consent Fee (if applicable) is actually received by the relevant Securityholder.
- v. Securityholders who are individuals will have to submit copies of their passports or identity cards to the Meeting Agent together with this Voting Instruction Form.
- vi. Securityholders who submit this Voting Instruction Form represent, warrant and undertake to the Issuer, the MTN Trustee and the Meeting Agent that any personal data of any individual provided has been obtained with such individual's consent and hereby consents on behalf of such individual to the collection, use and disclosure of his/her personal data by the Issuer, the MTN Trustee or the Meeting Agent (and any of their respective officers), in each case, in accordance with the terms of the Consent Solicitation and the provisions of the Singapore Personal Data Protection Act 2012 (No. 26 of 2012). Any consent given hereunder in relation to personal data shall survive death, incapacity, bankruptcy or insolvency of any such individual and the termination or expiration of the Consent Solicitation. For the purposes hereunder, "**personal data**" has the meaning ascribed to it in the Singapore Personal Data Protection Act 2012 (No. 26 of 2012).



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**MEETING AGENT**  
**Tricor Singapore Pte. Ltd.**  
**(trading as Tricor Barbinder Share Registration Services)**

80 Robinson Road, #11-02  
Singapore 068898

Reminder

Please ensure that you have submitted the items below by indicating ✓ against the items below:

- Completed Voting Instruction Form
- CDP Account Number & Contact Details
- Copy of NRIC / Passport (for individual holders)
- Common Seal witnessed by 2 Authorised Signatories (for Corporations)

**VOTING INSTRUCTION FORM (only for Series 004)**

**EZION HOLDINGS LIMITED**  
(UEN/Company Registration No.: 199904364E)

For use in connection with the meeting (the “**Meeting**”) of the holders of the Series 004 S\$60,000,000 4.60 per cent. Notes due 2018 (ISIN: SG57D3995685) (the “**Securities**”) issued under the S\$1,500,000,000 Multicurrency Debt Issuance Programme of Ezion Holdings Limited (the “**Issuer**”)

Convened for 9.30 a.m. (Singapore time) on 20 November 2017 at  
8 Wilkie Road, #03-08 Wilkie Edge, Singapore 228095,  
and any adjourned meeting

To: Tricor Singapore Pte. Ltd.  
(trading as Tricor Barbinder Share Registration Services)  
80 Robinson Road, #11-02  
Singapore 068898  
(in its capacity as Meeting Agent for the Securities)  
(the “**Meeting Agent**”)

(This form is to be completed only by a Securityholder who holds the Securities in a CDP Direct Securities Account or a CDP Securities Sub-Account. See Notes (i) and (ii) below.)

Capitalised terms used herein but not defined shall have the meanings given to them in the Notice of Meeting dated 23 October 2017.

1. I/We, the undersigned, being the holder(s) of the Security(ies) of the principal amount and credited to the Direct Securities Account Number(s) or Securities Sub-Account Number(s) specified below (the “**Earmarked Securities**”), hereby instruct you as the Meeting Agent in accordance with the terms of Schedule 3 to the MTN Trust Deed to issue the following in respect of the Earmarked Securities:

a Voting Certificate in our favour on the terms set out in Schedule 3 to the MTN Trust Deed;

OR

a block voting instruction on the terms set out in Schedule 3 to the MTN Trust Deed and to appoint a proxy or proxies to cast the vote(s) in respect of the Earmarked Securities in accordance with paragraph 2 below.

(Please only tick one of the boxes as appropriate) (See Notes (i), (ii) and (iii) below)

Security: Series 004 S\$60,000,000 4.60 per cent. Notes due 2018 (ISIN: SG57D3995685)

Serial No.	Name and NRIC/Passport No. of Direct Securities Account Holder or Name of CDP Depository Agent (applicable where Securities Sub-Account Number is specified)	Address of Direct Securities Account Holder	*Direct Securities Account Number(s) *Securities Sub-Account Number(s)	Principal Amount (S\$) (now standing to the credit of the "Free Balance" in the Securities Account)	**Election to Receive Refinancing Series A Non-Convertible Bonds, or Refinancing Series B Convertible Bonds	
					<u>Option A</u> Receive Refinancing Series A Non-Convertible Bonds	<u>Option B</u> Receive Refinancing Series B Convertible Bonds



(\*Delete as appropriate) (See Note (iii) below)

(\*\*Insert principal amount of Securities under the relevant column or columns. Each figure must be in multiples of S\$250,000. The total principal amount in both columns must equal to the principal amount of Earmarked Securities in the immediately preceding column.)

^Please check that the total does not exceed the “Free Balance” in your Securities Account.

^^Please submit a copy of your passport (if you are not a Singapore citizen) or identity card (if you are a Singapore citizen). See Note (v) of this Voting Instruction Form.

**\*\*\*PARAGRAPH 2 SHOULD ONLY BE COMPLETED IF A BLOCK VOTING INSTRUCTION IS REQUESTED TO BE ISSUED. PLEASE DO NOT FILL IN PARAGRAPH 2 IF A VOTING CERTIFICATE IS REQUESTED TO BE ISSUED. PRIOR TO COMPLETING PARAGRAPH 2, PLEASE READ THE NOTES OVERLEAF.**

2. I/We instruct you that the votes attributable to my/our Earmarked Securities should be cast in favour of or against each Extraordinary Resolution set out in the Issuer's Notice of Meeting to Securityholders dated 23 October 2017 (the "**Notice**") to be put to the Meeting or any adjournment thereof as indicated below and I/we acknowledge that these instructions are neither revocable nor subject to amendment after the Expiration Time (and if I/we have provided these instructions to you on or prior to 5.00 p.m. (Singapore time) on 15 November 2017 (the "**Consent Deadline**") and I/we wish to obtain the Consent Fee, I/we will not revoke or amend such instructions after the Consent Deadline).

Security: Series 004 S\$60,000,000 4.60 per cent. Notes due 2018 (ISIN: SG57D3995685)

Serial No.	*Direct Securities Account Number(s)/ *Securities Sub-Account Number(s)	Name of Direct Account Holder or CDP Depository Agent (applicable where Securities Sub-Account Number is specified)	Principal Amount (S\$) (now standing to the credit of the "Free Balance" in the Securities Account)	Voting Instruction** to Meeting Agent in respect of Extraordinary Resolution No. 1		Voting Instruction** to Meeting Agent in respect of Extraordinary Resolution No. 2	
				IN FAVOUR (Please indicate with a ✓)	AGAINST (Please indicate with a ✓)	IN FAVOUR (Please indicate with a ✓)	AGAINST (Please indicate with a ✓)

(\*Delete as appropriate) (See Note (iii) below)

\*\* To be eligible to receive the Consent Fee, a Securityholder must vote IN FAVOUR of both Extraordinary Resolution No. 1 AND Extraordinary Resolution No. 2)

3. I/We authorise you to instruct CDP to earmark the quantity of Earmarked Securities indicated and held in the Direct Securities Account Number(s) or Securities Sub-Account Number(s) specified above in relation to my/our Earmarked Securities for the purposes of the Meeting or any adjourned Meeting. I/We further authorise you to instruct CDP to remove the earmark at the earliest of:
- (a) (in the case where Extraordinary Resolution No. 1 of the Securities and the Shareholders' Extraordinary Resolution(s) has each been duly passed on or before 31 March 2018) the Redemption Date;
  - (b) (in the case where Extraordinary Resolution No. 1 of the Securities has been duly passed but the Shareholders' Extraordinary Resolution(s) has not been duly passed by Shareholders on or before 31 March 2018), the business day after 31 March 2018;
  - (c) (in the case where Extraordinary Resolution No. 1 of the Securities have not been passed) the conclusion of the Meeting (or, if applicable, any adjournment of the Meeting);
  - (d) (in the case where the Consent Solicitation is terminated) the date of termination of the Consent Solicitation; and
  - (e) in the case where:
    - (i) I/we have requested for a Voting Certificate, not less than 48 hours before the time for which the Meeting is convened, my/our Voting Certificate is surrendered to the Meeting Agent and the Meeting Agent notifies CDP of such surrender or of the compliance in such other manner with the rules of CDP; or
    - (ii) I/we have given instructions for my/our votes to be included in a block voting instruction by way of a Voting Instruction Form, not less than 48 hours before the time for which the Meeting is convened, the Meeting Agent receives a notification in writing of my/our revocation of my/our previous instructions to the Meeting Agent and the same is notified in writing at least 24 hours before the time appointed for holding the Meeting by the Meeting Agent to the Issuer at its specified office or to the chairman of the Meeting.
4. (a) If I/we have elected for Option A, I/we instruct you to credit the net proceeds of the sale of any Consent Fee Shares (if applicable) my/our Singapore bank account set out below:
- (See Note (iv) below)
- Account Name : \_\_\_\_\_
- Account Number : \_\_\_\_\_
- Name of Bank : \_\_\_\_\_
- Bank Branch : \_\_\_\_\_
- Bank SWIFT Code : \_\_\_\_\_  
(only Singapore dollar accounts in Singapore may be specified)
- (b) If I/we have elected for Option B, I/we instruct you to credit the Consent Fee Shares (if applicable) to the Direct Securities Account or Securities Sub-Account specified in paragraph 1 above.
5. (a) If I/we have elected for Option A, I/we instruct you to register the Interest Note in the name of and deliver the Interest Note to:

Name: .....

NRIC/Passport Number/UEN No.: .....

Address:.....

(b) If I/we have elected for Option B, I/we instruct you to deliver the Shares payable in respect of accrued interest to the Direct Securities Account or Securities Sub-Account specified in paragraph 1 above.

6. My/our contact details are as follows:

Name: ..... Tel No.:.....

NRIC/Passport Number: ..... Mobile No.:.....

Address:..... Fax No.:.....

Principal amount of Security(ies) which is/are the subject of this Voting Instruction Form:

S\$ .....

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 2017.

(\*Delete as appropriate)

Signature(s) or Common Seal(s) of Securityholder(s):

.....

(\* Common Seal(s) of Securityholder(s) to be affixed in the presence of authorised signatories whose signatures must be included in this Voting Instruction Form)

Notes:

- i. This form is to be completed only by a Securityholder whose Securities are credited in a CDP Direct Securities Account or a CDP Securities Sub-Account. If you hold Securities through a bank, custodian, nominee, broker or other depository, you need to instruct such bank, custodian, nominee, broker or other depository to complete this form on your behalf.
- ii. If a Securityholder does not wish to attend and vote at the Meeting or any adjourned Meeting in person

but rather wishes a proxy to be appointed to attend and vote thereat on its behalf, it should, if its Securities are held by an authorised depository in Singapore,

- (a) instruct such authorised depository to hold it/them to the order of the Meeting Agent or earmarked in an account with a bank or other depository nominated by the Meeting Agent for this purpose and to notify the Meeting Agent in writing accordingly, no later than 9.30 a.m. (Singapore time) on 18 November 2017 or 48 hours prior to the time appointed for the holding of any such adjourned Meeting; and
  - (b) complete and execute this Voting Instruction Form and post or otherwise deposit it with the Meeting Agent so as to arrive on the Consent Deadline (if such Securityholder wishes to obtain the Consent Fee), but in any event no later than 9.30 a.m. (Singapore time) on 18 November 2017 or 48 hours prior to the time appointed for the holding of any such adjourned Meeting. The Meeting Agent will then complete a block voting instruction and appoint a proxy to attend and cast the vote(s) attributable to such Security(ies) at the Meeting as instructed by such Securityholder.
- iii. Please delete as appropriate. If no deletion is made, this Voting Instruction Form will be of no effect. Where possible, Securityholders who hold Securities on behalf of Beneficial Owners are requested to submit only one Voting Instruction Form in respect of their entire aggregate holding.
- iv. Securityholders who hold Security(ies) on behalf of Beneficial Owners are requested to specify only one account number to which the net proceeds of the sale of any Consent Fee Shares (if applicable) would be credited in respect of their entire aggregate holding. Such Securityholders are reminded that provided this is followed and subject to the Settlement Conditions, the Consent Fee (if applicable) would be credited to such specified account on the Settlement Date. The Issuer may elect to waive any Settlement Conditions at its sole and absolute discretion. In any event, none of the Issuer, the MTN Trustee, the Issuing and Paying Agent or the Meeting Agent shall be liable for any delay in payment of the Consent Fee arising from the bank account details in a Voting Instruction Form not having been duly completed. None of the Issuer, the MTN Trustee, the Issuing and Paying Agent or the Meeting Agent will be responsible for ensuring that the Consent Fee (if applicable) is actually received by the relevant Securityholder.
- v. Securityholders who are individuals will have to submit copies of their passports or identity cards to the Meeting Agent together with this Voting Instruction Form.
- vi. Securityholders who submit this Voting Instruction Form represent, warrant and undertake to the Issuer, the MTN Trustee and the Meeting Agent that any personal data of any individual provided has been obtained with such individual's consent and hereby consents on behalf of such individual to the collection, use and disclosure of his/her personal data by the Issuer, the MTN Trustee or the Meeting Agent (and any of their respective officers), in each case, in accordance with the terms of the Consent Solicitation and the provisions of the Singapore Personal Data Protection Act 2012 (No. 26 of 2012). Any consent given hereunder in relation to personal data shall survive death, incapacity, bankruptcy or insolvency of any such individual and the termination or expiration of the Consent Solicitation. For the purposes hereunder, "**personal data**" has the meaning ascribed to it in the Singapore Personal Data Protection Act 2012 (No. 26 of 2012).



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MEETING AGENT  
**Tricor Singapore Pte. Ltd.**  
**(trading as Tricor Barbinder Share Registration Services)**

80 Robinson Road, #11-02  
Singapore 068898

Reminder

Please ensure that you have submitted the items below by indicating ✓ against the items below:

- Completed Voting Instruction Form
- CDP Account Number & Contact Details
- Copy of NRIC / Passport (for individual holders)
- Common Seal witnessed by 2 Authorised Signatories (for Corporations)

**VOTING INSTRUCTION FORM (only for Series 005)**

**EZION HOLDINGS LIMITED**  
(UEN/Company Registration No.: 199904364E)

For use in connection with the meeting (the “**Meeting**”) of the holders of the Series 005 S\$50,000,000 4.85 per cent. Notes due 2019 (ISIN: SG6OF1000004) (the “**Securities**”) issued under the S\$1,500,000,000 Multicurrency Debt Issuance Programme of Ezion Holdings Limited (the “**Issuer**”)

Convened for 10.00 a.m. (Singapore time) on 20 November 2017 at  
8 Wilkie Road, #03-08 Wilkie Edge, Singapore 228095,  
and any adjourned meeting

To: Tricor Singapore Pte. Ltd.  
(trading as Tricor Barbinder Share Registration Services)  
80 Robinson Road, #11-02  
Singapore 068898  
(in its capacity as Meeting Agent for the Securities)  
(the “**Meeting Agent**”)

(This form is to be completed only by a Securityholder who holds the Securities in a CDP Direct Securities Account or a CDP Securities Sub-Account. See Notes (i) and (ii) below.)

Capitalised terms used herein but not defined shall have the meanings given to them in the Notice of Meeting dated 23 October 2017.

1. I/We, the undersigned, being the holder(s) of the Security(ies) of the principal amount and credited to the Direct Securities Account Number(s) or Securities Sub-Account Number(s) specified below (the “**Earmarked Securities**”), hereby instruct you as the Meeting Agent in accordance with the terms of Schedule 3 to the MTN Trust Deed to issue the following in respect of the Earmarked Securities:

a Voting Certificate in our favour on the terms set out in Schedule 3 to the MTN Trust Deed;

OR

a block voting instruction on the terms set out in Schedule 3 to the MTN Trust Deed and to appoint a proxy or proxies to cast the vote(s) in respect of the Earmarked Securities in accordance with paragraph 2 below.

(Please only tick one of the boxes as appropriate) (See Notes (i), (ii) and (iii) below)



Security: Series 005 S\$50,000,000 4.85 per cent. Notes due 2019 (ISIN: SG6OF1000004)

Serial No.	Name and NRIC/Passport No. of Direct Securities Account Holder or Name of CDP Depository Agent (applicable where Securities Sub-Account Number is specified)	Address of Direct Securities Account Holder	*Direct Securities Account Number(s) *Securities Sub-Account Number(s)	Principal Amount (S\$) (now standing to the credit of the "Free Balance" in the Securities Account)	<b>**Election to Receive Refinancing Series A Non-Convertible Bonds, or Refinancing Series B Convertible Bonds</b>	
					<u>Option A</u> Receive Refinancing Series A Non-Convertible Bonds	<u>Option B</u> Receive Refinancing Series B Convertible Bonds

(\*Delete as appropriate) (See Note (iii) below)

(\*\*Insert principal amount of Securities under the relevant column or columns. Each figure must be in multiples of S\$250,000. The total principal amount in both columns must equal to the principal amount of Earmarked Securities in the immediately preceding column.)

^Please check that the total does not exceed the “Free Balance” in your Securities Account.

^^Please submit a copy of your passport (if you are not a Singapore citizen) or identity card (if you are a Singapore citizen). See Note (v) of this Voting Instruction Form.

**\*\*\*PARAGRAPH 2 SHOULD ONLY BE COMPLETED IF A BLOCK VOTING INSTRUCTION IS REQUESTED TO BE ISSUED. PLEASE DO NOT FILL IN PARAGRAPH 2 IF A VOTING CERTIFICATE IS REQUESTED TO BE ISSUED. PRIOR TO COMPLETING PARAGRAPH 2, PLEASE READ THE NOTES OVERLEAF.**

2. I/We instruct you that the votes attributable to my/our Earmarked Securities should be cast in favour of or against each Extraordinary Resolution set out in the Issuer's Notice of Meeting to Securityholders dated 23 October 2017 (the "**Notice**") to be put to the Meeting or any adjournment thereof as indicated below and I/we acknowledge that these instructions are neither revocable nor subject to amendment after the Expiration Time (and if I/we have provided these instructions to you on or prior to 5.00 p.m. (Singapore time) on 15 November 2017 (the "**Consent Deadline**") and I/we wish to obtain the Consent Fee, I/we will not revoke or amend such instructions after the Consent Deadline).

Security: Series 005 S\$50,000,000 4.85 per cent. Notes due 2019 (ISIN: SG6OF1000004)

Serial No.	*Direct Securities Account Number(s)/ *Securities Sub-Account Number(s)	Name of Direct Account Holder or CDP Depository Agent (applicable where Securities Sub-Account Number is specified)	Principal Amount (S\$) (now standing to the credit of the "Free Balance" in the Securities Account)	Voting Instruction** to Meeting Agent in respect of Extraordinary Resolution No. 1		Voting Instruction** to Meeting Agent in respect of Extraordinary Resolution No. 2	
				IN FAVOUR (Please indicate with a ✓)	AGAINST (Please indicate with a ✓)	IN FAVOUR (Please indicate with a ✓)	AGAINST (Please indicate with a ✓)

(\*Delete as appropriate) (See Note (iii) below)

(\*\* To be eligible to receive the Consent Fee, a Securityholder must vote IN FAVOUR of both Extraordinary Resolution No. 1 AND Extraordinary Resolution No. 2)

3. I/We authorise you to instruct CDP to earmark the quantity of Earmarked Securities indicated and held in the Direct Securities Account Number(s) or Securities Sub-Account Number(s) specified above in relation to my/our Earmarked Securities for the purposes of the Meeting or any adjourned Meeting. I/We further authorise you to instruct CDP to remove the earmark at the earliest of:
- (a) (in the case where Extraordinary Resolution No. 1 of the Securities and the Shareholders' Extraordinary Resolution(s) has each been duly passed on or before 31 March 2018) the Redemption Date;
  - (b) (in the case where Extraordinary Resolution No. 1 of the Securities has been duly passed but the Shareholders' Extraordinary Resolution(s) has not been duly passed by Shareholders on or before 31 March 2018), the business day after 31 March 2018;
  - (c) (in the case where Extraordinary Resolution No. 1 of the Securities have not been passed) the conclusion of the Meeting (or, if applicable, any adjournment of the Meeting);
  - (d) (in the case where the Consent Solicitation is terminated) the date of termination of the Consent Solicitation; and
  - (e) in the case where:
    - (i) I/we have requested for a Voting Certificate, not less than 48 hours before the time for which the Meeting is convened, my/our Voting Certificate is surrendered to the Meeting Agent and the Meeting Agent notifies CDP of such surrender or of the compliance in such other manner with the rules of CDP; or
    - (ii) I/we have given instructions for my/our votes to be included in a block voting instruction by way of a Voting Instruction Form, not less than 48 hours before the time for which the Meeting is convened, the Meeting Agent receives a notification in writing of my/our revocation of my/our previous instructions to the Meeting Agent and the same is notified in writing at least 24 hours before the time appointed for holding the Meeting by the Meeting Agent to the Issuer at its specified office or to the chairman of the Meeting.
4. (a) If I/we have elected for Option A, I/we instruct you to credit the net proceeds of the sale of any Consent Fee Shares (if applicable) my/our Singapore bank account set out below:
- (See Note (iv) below)
- Account Name : \_\_\_\_\_
- Account Number : \_\_\_\_\_
- Name of Bank : \_\_\_\_\_
- Bank Branch : \_\_\_\_\_
- Bank SWIFT Code : \_\_\_\_\_  
(only Singapore dollar accounts in Singapore may be specified)
- (b) If I/we have elected for Option B, I/we instruct you to credit the Consent Fee Shares (if applicable) to the Direct Securities Account or Securities Sub-Account specified in paragraph 1 above.
5. (a) If I/we have elected for Option A, I/we instruct you to register the Interest Note in the name of and deliver the Interest Note to:

Name: .....

NRIC/Passport Number/UEN No.: .....

Address:.....

(b) If I/we have elected for Option B, I/we instruct you to deliver the Shares payable in respect of accrued interest to the Direct Securities Account or Securities Sub-Account specified in paragraph 1 above.

6. My/our contact details are as follows:

Name: ..... Tel No.:.....

NRIC/Passport Number: ..... Mobile No.:.....

Address:..... Fax No.:.....

Principal amount of Security(ies) which is/are the subject of this Voting Instruction Form:

S\$ .....

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 2017.

(\*Delete as appropriate)

Signature(s) or Common Seal(s) of Securityholder(s):

.....

(\* Common Seal(s) of Securityholder(s) to be affixed in the presence of authorised signatories whose signatures must be included in this Voting Instruction Form)

Notes:

- i. This form is to be completed only by a Securityholder whose Securities are credited in a CDP Direct Securities Account or a CDP Securities Sub-Account. If you hold Securities through a bank, custodian, nominee, broker or other depository, you need to instruct such bank, custodian, nominee, broker or other depository to complete this form on your behalf.
- ii. If a Securityholder does not wish to attend and vote at the Meeting or any adjourned Meeting in person

but rather wishes a proxy to be appointed to attend and vote thereat on its behalf, it should, if its Securities are held by an authorised depository in Singapore,

- (a) instruct such authorised depository to hold it/them to the order of the Meeting Agent or earmarked in an account with a bank or other depository nominated by the Meeting Agent for this purpose and to notify the Meeting Agent in writing accordingly, no later than 10.00 a.m. (Singapore time) on 18 November 2017 or 48 hours prior to the time appointed for the holding of any such adjourned Meeting; and
  - (b) complete and execute this Voting Instruction Form and post or otherwise deposit it with the Meeting Agent so as to arrive on the Consent Deadline (if such Securityholder wishes to obtain the Consent Fee), but in any event no later than 10.00 a.m. (Singapore time) on 18 November 2017 or 48 hours prior to the time appointed for the holding of any such adjourned Meeting. The Meeting Agent will then complete a block voting instruction and appoint a proxy to attend and cast the vote(s) attributable to such Security(ies) at the Meeting as instructed by such Securityholder.
- iii. Please delete as appropriate. If no deletion is made, this Voting Instruction Form will be of no effect. Where possible, Securityholders who hold Securities on behalf of Beneficial Owners are requested to submit only one Voting Instruction Form in respect of their entire aggregate holding.
- iv. Securityholders who hold Security(ies) on behalf of Beneficial Owners are requested to specify only one account number to which the net proceeds of the sale of any Consent Fee Shares (if applicable) would be credited in respect of their entire aggregate holding. Such Securityholders are reminded that provided this is followed and subject to the Settlement Conditions, the Consent Fee (if applicable) would be credited to such specified account on the Settlement Date. The Issuer may elect to waive any Settlement Conditions at its sole and absolute discretion. In any event, none of the Issuer, the MTN Trustee, the Issuing and Paying Agent or the Meeting Agent shall be liable for any delay in payment of the Consent Fee arising from the bank account details in a Voting Instruction Form not having been duly completed. None of the Issuer, the MTN Trustee, the Issuing and Paying Agent or the Meeting Agent will be responsible for ensuring that the Consent Fee (if applicable) is actually received by the relevant Securityholder.
- v. Securityholders who are individuals will have to submit copies of their passports or identity cards to the Meeting Agent together with this Voting Instruction Form.
- vi. Securityholders who submit this Voting Instruction Form represent, warrant and undertake to the Issuer, the MTN Trustee and the Meeting Agent that any personal data of any individual provided has been obtained with such individual's consent and hereby consents on behalf of such individual to the collection, use and disclosure of his/her personal data by the Issuer, the MTN Trustee or the Meeting Agent (and any of their respective officers), in each case, in accordance with the terms of the Consent Solicitation and the provisions of the Singapore Personal Data Protection Act 2012 (No. 26 of 2012). Any consent given hereunder in relation to personal data shall survive death, incapacity, bankruptcy or insolvency of any such individual and the termination or expiration of the Consent Solicitation. For the purposes hereunder, "**personal data**" has the meaning ascribed to it in the Singapore Personal Data Protection Act 2012 (No. 26 of 2012).



STAMP

MEETING AGENT  
**Tricor Singapore Pte. Ltd.**  
**(trading as Tricor Barbinder Share Registration Services)**

80 Robinson Road, #11-02  
Singapore 068898

Reminder

Please ensure that you have submitted the items below by indicating ✓ against the items below:

- Completed Voting Instruction Form
- CDP Account Number & Contact Details
- Copy of NRIC / Passport (for individual holders)
- Common Seal witnessed by 2 Authorised Signatories (for Corporations)



**VOTING INSTRUCTION FORM (only for Series 006)**

**EZION HOLDINGS LIMITED**  
(UEN/Company Registration No.: 199904364E)

For use in connection with the meeting (the “**Meeting**”) of the holders of the Series 006 S\$55,000,000 5.10 per cent. Notes due 2020 (ISIN: SG6PB3000008) (the “**Securities**”) issued under the S\$1,500,000,000 Multicurrency Debt Issuance Programme of Ezion Holdings Limited (the “**Issuer**”)

Convened for 10.30 a.m. (Singapore time) on 20 November 2017 at  
8 Wilkie Road, #03-08 Wilkie Edge, Singapore 228095,  
and any adjourned meeting

To: Tricor Singapore Pte. Ltd.  
(trading as Tricor Barbinder Share Registration Services)  
80 Robinson Road, #11-02  
Singapore 068898  
(in its capacity as Meeting Agent for the Securities)  
(the “**Meeting Agent**”)

(This form is to be completed only by a Securityholder who holds the Securities in a CDP Direct Securities Account or a CDP Securities Sub-Account. See Notes (i) and (ii) below.)

Capitalised terms used herein but not defined shall have the meanings given to them in the Notice of Meeting dated 23 October 2017.

1. I/We, the undersigned, being the holder(s) of the Security(ies) of the principal amount and credited to the Direct Securities Account Number(s) or Securities Sub-Account Number(s) specified below (the “**Earmarked Securities**”), hereby instruct you as the Meeting Agent in accordance with the terms of Schedule 3 to the MTN Trust Deed to issue the following in respect of the Earmarked Securities:

a Voting Certificate in our favour on the terms set out in Schedule 3 to the MTN Trust Deed;

OR

a block voting instruction on the terms set out in Schedule 3 to the MTN Trust Deed and to appoint a proxy or proxies to cast the vote(s) in respect of the Earmarked Securities in accordance with paragraph 2 below.

(Please only tick one of the boxes as appropriate) (See Notes (i), (ii) and (iii) below)

Security: Series 006 S\$55,000,000 5.10 per cent. Notes due 2020 (ISIN: SG6PB3000008)

Serial No.	Name and NRIC/Passport No. of Direct Securities Account Holder or Name of CDP Depository Agent (applicable where Securities Sub-Account Number is specified)	Address of Direct Securities Account Holder	*Direct Securities Account Number(s) *Securities Sub-Account Number(s)	Principal Amount (S\$) (now standing to the credit of the "Free Balance" in the Securities Account)	**Election to Receive Refinancing Series A Non-Convertible Bonds, or Refinancing Series B Convertible Bonds	
					<u>Option A</u> Receive Refinancing Series A Non-Convertible Bonds	<u>Option B</u> Receive Refinancing Series B Convertible Bonds

(\*Delete as appropriate) (See Note (iii) below)

(\*\*Insert principal amount of Securities under the relevant column or columns. Each figure must be in multiples of S\$250,000. The total principal amount in both columns must equal to the principal amount of Earmarked Securities in the immediately preceding column.)

^Please check that the total does not exceed the “Free Balance” in your Securities Account.

^^Please submit a copy of your passport (if you are not a Singapore citizen) or identity card (if you are a Singapore citizen). See Note (v) of this Voting Instruction Form.

**\*\*\*PARAGRAPH 2 SHOULD ONLY BE COMPLETED IF A BLOCK VOTING INSTRUCTION IS REQUESTED TO BE ISSUED. PLEASE DO NOT FILL IN PARAGRAPH 2 IF A VOTING CERTIFICATE IS REQUESTED TO BE ISSUED. PRIOR TO COMPLETING PARAGRAPH 2, PLEASE READ THE NOTES OVERLEAF.**

2. I/We instruct you that the votes attributable to my/our Earmarked Securities should be cast in favour of or against each Extraordinary Resolution set out in the Issuer's Notice of Meeting to Securityholders dated 23 October 2017 (the "**Notice**") to be put to the Meeting or any adjournment thereof as indicated below and I/we acknowledge that these instructions are neither revocable nor subject to amendment after the Expiration Time (and if I/we have provided these instructions to you on or prior to 5.00 p.m. (Singapore time) on 15 November 2017 (the "**Consent Deadline**") and I/we wish to obtain the Consent Fee, I/we will not revoke or amend such instructions after the Consent Deadline).

Security: Series 006 S\$55,000,000 5.10 per cent. Notes due 2020 (ISIN: SG6PB3000008)

Serial No.	*Direct Securities Account Number(s)/ *Securities Sub-Account Number(s)	Name of Direct Account Holder or CDP Depository Agent (applicable where Securities Sub-Account Number is specified)	Principal Amount (S\$) (now standing to the credit of the "Free Balance" in the Securities Account)	Voting Instruction** to Meeting Agent in respect of Extraordinary Resolution No. 1		Voting Instruction** to Meeting Agent in respect of Extraordinary Resolution No. 2	
				IN FAVOUR (Please indicate with a ✓)	AGAINST (Please indicate with a ✓)	IN FAVOUR (Please indicate with a ✓)	AGAINST (Please indicate with a ✓)

(\*Delete as appropriate) (See Note (iii) below)

\*\* To be eligible to receive the Consent Fee, a Securityholder must vote IN FAVOUR of both Extraordinary Resolution No. 1 AND Extraordinary Resolution No. 2)

3. I/We authorise you to instruct CDP to earmark the quantity of Earmarked Securities indicated and held in the Direct Securities Account Number(s) or Securities Sub-Account Number(s) specified above in relation to my/our Earmarked Securities for the purposes of the Meeting or any adjourned Meeting. I/We further authorise you to instruct CDP to remove the earmark at the earliest of:
- (a) (in the case where Extraordinary Resolution No. 1 of the Securities and the Shareholders' Extraordinary Resolution(s) has each been duly passed on or before 31 March 2018) the Redemption Date;
  - (b) (in the case where Extraordinary Resolution No. 1 of the Securities has been duly passed but the Shareholders' Extraordinary Resolution(s) has not been duly passed by Shareholders on or before 31 March 2018), the business day after 31 March 2018;
  - (c) (in the case where Extraordinary Resolution No. 1 of the Securities have not been passed) the conclusion of the Meeting (or, if applicable, any adjournment of the Meeting);
  - (d) (in the case where the Consent Solicitation is terminated) the date of termination of the Consent Solicitation; and
  - (e) in the case where:
    - (i) I/we have requested for a Voting Certificate, not less than 48 hours before the time for which the Meeting is convened, my/our Voting Certificate is surrendered to the Meeting Agent and the Meeting Agent notifies CDP of such surrender or of the compliance in such other manner with the rules of CDP; or
    - (ii) I/we have given instructions for my/our votes to be included in a block voting instruction by way of a Voting Instruction Form, not less than 48 hours before the time for which the Meeting is convened, the Meeting Agent receives a notification in writing of my/our revocation of my/our previous instructions to the Meeting Agent and the same is notified in writing at least 24 hours before the time appointed for holding the Meeting by the Meeting Agent to the Issuer at its specified office or to the chairman of the Meeting.
4. (a) If I/we have elected for Option A, I/we instruct you to credit the net proceeds of the sale of any Consent Fee Shares (if applicable) my/our Singapore bank account set out below:
- (See Note (iv) below)
- Account Name : \_\_\_\_\_
- Account Number : \_\_\_\_\_
- Name of Bank : \_\_\_\_\_
- Bank Branch : \_\_\_\_\_
- Bank SWIFT Code : \_\_\_\_\_  
(only Singapore dollar accounts in Singapore may be specified)
- (b) If I/we have elected for Option B, I/we instruct you to credit the Consent Fee Shares (if applicable) to the Direct Securities Account or Securities Sub-Account specified in paragraph 1 above.
5. (a) If I/we have elected for Option A, I/we instruct you to register the Interest Note in the name of and deliver the Interest Note to:

Name: .....

NRIC/Passport Number/UEN No.: .....

Address:.....

(b) If I/we have elected for Option B, I/we instruct you to deliver the Shares payable in respect of accrued interest to the Direct Securities Account or Securities Sub-Account specified in paragraph 1 above.

6. My/our contact details are as follows:

Name: ..... Tel No.:.....

NRIC/Passport Number: ..... Mobile No.:.....

Address:..... Fax No.:.....

Principal amount of Security(ies) which is/are the subject of this Voting Instruction Form:

S\$ .....

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 2017.

(\*Delete as appropriate)

Signature(s) or Common Seal(s) of Securityholder(s):

.....

(\* Common Seal(s) of Securityholder(s) to be affixed in the presence of authorised signatories whose signatures must be included in this Voting Instruction Form)

Notes:

- i. This form is to be completed only by a Securityholder whose Securities are credited in a CDP Direct Securities Account or a CDP Securities Sub-Account. If you hold Securities through a bank, custodian, nominee, broker or other depository, you need to instruct such bank, custodian, nominee, broker or other depository to complete this form on your behalf.
- ii. If a Securityholder does not wish to attend and vote at the Meeting or any adjourned Meeting in person

but rather wishes a proxy to be appointed to attend and vote thereat on its behalf, it should, if its Securities are held by an authorised depository in Singapore,

- (a) instruct such authorised depository to hold it/them to the order of the Meeting Agent or earmarked in an account with a bank or other depository nominated by the Meeting Agent for this purpose and to notify the Meeting Agent in writing accordingly, no later than 10.30 a.m. (Singapore time) on 18 November 2017 or 48 hours prior to the time appointed for the holding of any such adjourned Meeting; and
  - (b) complete and execute this Voting Instruction Form and post or otherwise deposit it with the Meeting Agent so as to arrive on the Consent Deadline (if such Securityholder wishes to obtain the Consent Fee), but in any event no later than 10.30 a.m. (Singapore time) on 18 November 2017 or 48 hours prior to the time appointed for the holding of any such adjourned Meeting. The Meeting Agent will then complete a block voting instruction and appoint a proxy to attend and cast the vote(s) attributable to such Security(ies) at the Meeting as instructed by such Securityholder.
- iii. Please delete as appropriate. If no deletion is made, this Voting Instruction Form will be of no effect. Where possible, Securityholders who hold Securities on behalf of Beneficial Owners are requested to submit only one Voting Instruction Form in respect of their entire aggregate holding.
- iv. Securityholders who hold Security(ies) on behalf of Beneficial Owners are requested to specify only one account number to which the net proceeds of the sale of any Consent Fee Shares (if applicable) would be credited in respect of their entire aggregate holding. Such Securityholders are reminded that provided this is followed and subject to the Settlement Conditions, the Consent Fee (if applicable) would be credited to such specified account on the Settlement Date. The Issuer may elect to waive any Settlement Conditions at its sole and absolute discretion. In any event, none of the Issuer, the MTN Trustee, the Issuing and Paying Agent or the Meeting Agent shall be liable for any delay in payment of the Consent Fee arising from the bank account details in a Voting Instruction Form not having been duly completed. None of the Issuer, the MTN Trustee, the Issuing and Paying Agent or the Meeting Agent will be responsible for ensuring that the Consent Fee (if applicable) is actually received by the relevant Securityholder.
- v. Securityholders who are individuals will have to submit copies of their passports or identity cards to the Meeting Agent together with this Voting Instruction Form.
- vi. Securityholders who submit this Voting Instruction Form represent, warrant and undertake to the Issuer, the MTN Trustee and the Meeting Agent that any personal data of any individual provided has been obtained with such individual's consent and hereby consents on behalf of such individual to the collection, use and disclosure of his/her personal data by the Issuer, the MTN Trustee or the Meeting Agent (and any of their respective officers), in each case, in accordance with the terms of the Consent Solicitation and the provisions of the Singapore Personal Data Protection Act 2012 (No. 26 of 2012). Any consent given hereunder in relation to personal data shall survive death, incapacity, bankruptcy or insolvency of any such individual and the termination or expiration of the Consent Solicitation. For the purposes hereunder, "**personal data**" has the meaning ascribed to it in the Singapore Personal Data Protection Act 2012 (No. 26 of 2012).





STAMP

MEETING AGENT  
**Tricor Singapore Pte. Ltd.**  
**(trading as Tricor Barbinder Share Registration Services)**

80 Robinson Road, #11-02  
Singapore 068898

Reminder

Please ensure that you have submitted the items below by indicating ✓ against the items below:

- Completed Voting Instruction Form
- CDP Account Number & Contact Details
- Copy of NRIC / Passport (for individual holders)
- Common Seal witnessed by 2 Authorised Signatories (for Corporations)

**VOTING INSTRUCTION FORM (only for Series 007)**

**EZION HOLDINGS LIMITED**  
(UEN/Company Registration No.: 199904364E)

For use in connection with the meeting (the “**Meeting**”) of the holders of the Series 007 S\$150,000,000 4.875 per cent. Notes due 2021 (ISIN: SG6RD2000001) (the “**Securities**”) issued under the S\$1,500,000,000 Multicurrency Debt Issuance Programme of Ezion Holdings Limited (the “**Issuer**”)

Convened for 11.00 a.m. (Singapore time) on 20 November 2017 at  
8 Wilkie Road, #03-08 Wilkie Edge, Singapore 228095,  
and any adjourned meeting

To: Tricor Singapore Pte. Ltd.  
(trading as Tricor Barbinder Share Registration Services)  
80 Robinson Road, #11-02  
Singapore 068898  
(in its capacity as Meeting Agent for the Securities)  
(the “**Meeting Agent**”)

(This form is to be completed only by a Securityholder who holds the Securities in a CDP Direct Securities Account or a CDP Securities Sub-Account. See Notes (i) and (ii) below.)

Capitalised terms used herein but not defined shall have the meanings given to them in the Notice of Meeting dated 23 October 2017.

1. I/We, the undersigned, being the holder(s) of the Security(ies) of the principal amount and credited to the Direct Securities Account Number(s) or Securities Sub-Account Number(s) specified below (the “**Earmarked Securities**”), hereby instruct you as the Meeting Agent in accordance with the terms of Schedule 3 to the MTN Trust Deed to issue the following in respect of the Earmarked Securities:

a Voting Certificate in our favour on the terms set out in Schedule 3 to the MTN Trust Deed;

OR

a block voting instruction on the terms set out in Schedule 3 to the MTN Trust Deed and to appoint a proxy or proxies to cast the vote(s) in respect of the Earmarked Securities in accordance with paragraph 2 below.

(Please only tick one of the boxes as appropriate) (See Notes (i), (ii) and (iii) below)

Security: Series 007 S\$150,000,000 4.875 per cent. Notes due 2021 (ISIN: SG6RD2000001)

Serial No.	Name and NRIC/Passport No. of Direct Securities Account Holder or Name of CDP Depository Agent (applicable where Securities Sub-Account Number is specified)	Address of Direct Securities Account Holder	*Direct Securities Account Number(s) *Securities Sub-Account Number(s)	Principal Amount (S\$) (now standing to the credit of the "Free Balance" in the Securities Account)	<b>**Election to Receive Refinancing Series A Non-Convertible Bonds, or Refinancing Series B Convertible Bonds</b>	
					<u>Option A</u>  Receive Refinancing Series A Non-Convertible Bonds	<u>Option B</u>  Receive Refinancing Series B Convertible Bonds

(\*Delete as appropriate) (See Note (iii) below)

(\*\*Insert principal amount of Securities under the relevant column or columns. Each figure must be in multiples of S\$250,000. The total principal amount in both columns must equal to the principal amount of Earmarked Securities in the immediately preceding column.)

^Please check that the total does not exceed the “Free Balance” in your Securities Account.

^^Please submit a copy of your passport (if you are not a Singapore citizen) or identity card (if you are a Singapore citizen). See Note (v) of this Voting Instruction Form.

**\*\*\*PARAGRAPH 2 SHOULD ONLY BE COMPLETED IF A BLOCK VOTING INSTRUCTION IS REQUESTED TO BE ISSUED. PLEASE DO NOT FILL IN PARAGRAPH 2 IF A VOTING CERTIFICATE IS REQUESTED TO BE ISSUED. PRIOR TO COMPLETING PARAGRAPH 2, PLEASE READ THE NOTES OVERLEAF.**

2. I/We instruct you that the votes attributable to my/our Earmarked Securities should be cast in favour of or against each Extraordinary Resolution set out in the Issuer's Notice of Meeting to Securityholders dated 23 October 2017 (the "**Notice**") to be put to the Meeting or any adjournment thereof as indicated below and I/we acknowledge that these instructions are neither revocable nor subject to amendment after the Expiration Time (and if I/we have provided these instructions to you on or prior to 5.00 p.m. (Singapore time) on 15 November 2017 (the "**Consent Deadline**") and I/we wish to obtain the Consent Fee, I/we will not revoke or amend such instructions after the Consent Deadline).

**Security: Series 007 S\$150,000,000 4.875 per cent. Notes due 2021 (ISIN: SG6RD2000001)**

Serial No.	*Direct Securities Account Number(s)/ *Securities Sub-Account Number(s)	Name of Direct Account Holder or CDP Depository Agent (applicable where Securities Sub-Account Number is specified)	Principal Amount (S\$) (now standing to the credit of the "Free Balance" in the Securities Account)	Voting Instruction** to Meeting Agent in respect of Extraordinary Resolution No. 1		Voting Instruction** to Meeting Agent in respect of Extraordinary Resolution No. 2	
				IN FAVOUR (Please indicate with a ✓)	AGAINST (Please indicate with a ✓)	IN FAVOUR (Please indicate with a ✓)	AGAINST (Please indicate with a ✓)

(\*Delete as appropriate) (See Note (iii) below)

(\*\* To be eligible to receive the Consent Fee, a Securityholder must vote IN FAVOUR of both Extraordinary Resolution No. 1 AND Extraordinary Resolution No. 2)

3. I/We authorise you to instruct CDP to earmark the quantity of Earmarked Securities indicated and held in the Direct Securities Account Number(s) or Securities Sub-Account Number(s) specified above in relation to my/our Earmarked Securities for the purposes of the Meeting or any adjourned Meeting. I/We further authorise you to instruct CDP to remove the earmark at the earliest of:
- (a) (in the case where Extraordinary Resolution No. 1 of the Securities and the Shareholders' Extraordinary Resolution(s) has each been duly passed on or before 31 March 2018) the Redemption Date;
  - (b) (in the case where Extraordinary Resolution No. 1 of the Securities has been duly passed but the Shareholders' Extraordinary Resolution(s) has not been duly passed by Shareholders on or before 31 March 2018), the business day after 31 March 2018;
  - (c) (in the case where Extraordinary Resolution No. 1 of the Securities have not been passed) the conclusion of the Meeting (or, if applicable, any adjournment of the Meeting);
  - (d) (in the case where the Consent Solicitation is terminated) the date of termination of the Consent Solicitation; and
  - (e) in the case where:
    - (i) I/we have requested for a Voting Certificate, not less than 48 hours before the time for which the Meeting is convened, my/our Voting Certificate is surrendered to the Meeting Agent and the Meeting Agent notifies CDP of such surrender or of the compliance in such other manner with the rules of CDP; or
    - (ii) I/we have given instructions for my/our votes to be included in a block voting instruction by way of a Voting Instruction Form, not less than 48 hours before the time for which the Meeting is convened, the Meeting Agent receives a notification in writing of my/our revocation of my/our previous instructions to the Meeting Agent and the same is notified in writing at least 24 hours before the time appointed for holding the Meeting by the Meeting Agent to the Issuer at its specified office or to the chairman of the Meeting.
4. (a) If I/we have elected for Option A, I/we instruct you to credit the net proceeds of the sale of any Consent Fee Shares (if applicable) my/our Singapore bank account set out below:
- (See Note (iv) below)
- Account Name : \_\_\_\_\_
- Account Number : \_\_\_\_\_
- Name of Bank : \_\_\_\_\_
- Bank Branch : \_\_\_\_\_
- Bank SWIFT Code : \_\_\_\_\_
- (only Singapore dollar accounts in Singapore may be specified)
- (b) If I/we have elected for Option B, I/we instruct you to credit the Consent Fee Shares (if applicable) to the Direct Securities Account or Securities Sub-Account specified in paragraph 1 above.
5. (a) If I/we have elected for Option A, I/we instruct you to register the Interest Note in the name of and deliver the Interest Note to:

Name: .....

NRIC/Passport Number/UEN No.: .....

Address:.....

(b) If I/we have elected for Option B, I/we instruct you to deliver the Shares payable in respect of accrued interest to the Direct Securities Account or Securities Sub-Account specified in paragraph 1 above.

6. My/our contact details are as follows:

Name: ..... Tel No.:.....

NRIC/Passport Number: ..... Mobile No.:.....

Address:..... Fax No.:.....

Principal amount of Security(ies) which is/are the subject of this Voting Instruction Form:

S\$ .....

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 2017.

(\*Delete as appropriate)

Signature(s) or Common Seal(s) of Securityholder(s):

.....

(\* Common Seal(s) of Securityholder(s) to be affixed in the presence of authorised signatories whose signatures must be included in this Voting Instruction Form)

Notes:

- i. This form is to be completed only by a Securityholder whose Securities are credited in a CDP Direct Securities Account or a CDP Securities Sub-Account. If you hold Securities through a bank, custodian, nominee, broker or other depository, you need to instruct such bank, custodian, nominee, broker or other depository to complete this form on your behalf.
- ii. If a Securityholder does not wish to attend and vote at the Meeting or any adjourned Meeting in person



but rather wishes a proxy to be appointed to attend and vote thereat on its behalf, it should, if its Securities are held by an authorised depository in Singapore,

- (a) instruct such authorised depository to hold it/them to the order of the Meeting Agent or earmarked in an account with a bank or other depository nominated by the Meeting Agent for this purpose and to notify the Meeting Agent in writing accordingly, no later than 11.00 a.m. (Singapore time) on 18 November 2017 or 48 hours prior to the time appointed for the holding of any such adjourned Meeting; and
  - (b) complete and execute this Voting Instruction Form and post or otherwise deposit it with the Meeting Agent so as to arrive on the Consent Deadline (if such Securityholder wishes to obtain the Consent Fee), but in any event no later than 11.00 a.m. (Singapore time) on 18 November 2017 or 48 hours prior to the time appointed for the holding of any such adjourned Meeting. The Meeting Agent will then complete a block voting instruction and appoint a proxy to attend and cast the vote(s) attributable to such Security(ies) at the Meeting as instructed by such Securityholder.
- iii. Please delete as appropriate. If no deletion is made, this Voting Instruction Form will be of no effect. Where possible, Securityholders who hold Securities on behalf of Beneficial Owners are requested to submit only one Voting Instruction Form in respect of their entire aggregate holding.
  - iv. Securityholders who hold Security(ies) on behalf of Beneficial Owners are requested to specify only one account number to which the net proceeds of the sale of any Consent Fee Shares (if applicable) would be credited in respect of their entire aggregate holding. Such Securityholders are reminded that provided this is followed and subject to the Settlement Conditions, the Consent Fee (if applicable) would be credited to such specified account on the Settlement Date. The Issuer may elect to waive any Settlement Conditions at its sole and absolute discretion. In any event, none of the Issuer, the MTN Trustee, the Issuing and Paying Agent or the Meeting Agent shall be liable for any delay in payment of the Consent Fee arising from the bank account details in a Voting Instruction Form not having been duly completed. None of the Issuer, the MTN Trustee, the Issuing and Paying Agent or the Meeting Agent will be responsible for ensuring that the Consent Fee (if applicable) is actually received by the relevant Securityholder.
  - v. Securityholders who are individuals will have to submit copies of their passports or identity cards to the Meeting Agent together with this Voting Instruction Form.
  - vi. Securityholders who submit this Voting Instruction Form represent, warrant and undertake to the Issuer, the MTN Trustee and the Meeting Agent that any personal data of any individual provided has been obtained with such individual's consent and hereby consents on behalf of such individual to the collection, use and disclosure of his/her personal data by the Issuer, the MTN Trustee or the Meeting Agent (and any of their respective officers), in each case, in accordance with the terms of the Consent Solicitation and the provisions of the Singapore Personal Data Protection Act 2012 (No. 26 of 2012). Any consent given hereunder in relation to personal data shall survive death, incapacity, bankruptcy or insolvency of any such individual and the termination or expiration of the Consent Solicitation. For the purposes hereunder, "**personal data**" has the meaning ascribed to it in the Singapore Personal Data Protection Act 2012 (No. 26 of 2012).



STAMP

MEETING AGENT  
**Tricor Singapore Pte. Ltd.**  
**(trading as Tricor Barbinder Share Registration Services)**

80 Robinson Road, #11-02  
Singapore 068898

Reminder

Please ensure that you have submitted the items below by indicating  $\surd$  against the items below:

- Completed Voting Instruction Form
- CDP Account Number & Contact Details
- Copy of NRIC / Passport (for individual holders)
- Common Seal witnessed by 2 Authorised Signatories (for Corporations)

**VOTING INSTRUCTION FORM (only for Series 008)**

**EZION HOLDINGS LIMITED**  
(UEN/Company Registration No.: 199904364E)

For use in connection with the meeting (the “**Meeting**”) of the holders of the Series 008 S\$150,000,000 7.00 per cent. Subordinated Perpetual Securities (ISIN: SG6UH9000009) (the “**Securities**”) issued under the S\$1,500,000,000 Multicurrency Debt Issuance Programme of Ezion Holdings Limited (the “**Issuer**”)

Convened for 11.30 a.m. (Singapore time) on 20 November 2017 at  
8 Wilkie Road, #03-08 Wilkie Edge, Singapore 228095,  
and any adjourned meeting

To: Tricor Singapore Pte. Ltd.  
(trading as Tricor Barbinder Share Registration Services)  
80 Robinson Road, #11-02  
Singapore 068898  
(in its capacity as Meeting Agent for the Securities)  
(the “**Meeting Agent**”)

(This form is to be completed only by a Securityholder who holds the Securities in a CDP Direct Securities Account or a CDP Securities Sub-Account. See Notes A1 and B1 below.)

Capitalised terms used herein but not defined shall have the meanings given to them in the Notice of Meeting dated 23 October 2017.

**\*\*\*IF THE SECURITYHOLDER WISHES TO APPOINT A PROXY OTHER THAN THE MEETING AGENT TO ATTEND AND VOTE ON ITS BEHALF AT THE MEETING, PLEASE COMPLETE PARAGRAPHS 1, 2, 5, 6, 7 AND 8.**

**PLEASE DO NOT FILL IN PARAGRAPHS 1 AND 2 IF THE SECURITYHOLDER WISHES TO APPOINT THE MEETING AGENT AS ITS PROXY TO ATTEND AND VOTE ON ITS BEHALF AT THE MEETING. PRIOR TO COMPLETING PARAGRAPHS 1 AND 2, PLEASE READ THE NOTES OVERLEAF.**

1. I/We, the undersigned, being the holder(s) of the Security(ies) of the principal amount and credited to the Direct Securities Account Number(s) or Securities Sub-Account Number(s) specified in this paragraph (the “**Earmarked Securities**”), hereby appoint the following as our proxy or proxies to attend the Meeting or any adjournment thereof:

(See Note A2 below)

**Security: Series 008 S\$150,000,000 7.00 per cent. Subordinated Perpetual Securities (ISIN: SG6UH9000009)**

Serial No.	Name and NRIC/Passport No. of Proxy^	*Direct Securities Account Number(s) *Securities Sub-Account Number(s)	Name of Direct Securities Account Holder or Name of CDP Depository Agent (applicable where Securities Sub-Account Number is specified)	Principal Amount (S\$) (now standing to the credit of the “Free Balance” in the Securities Account)^	**Election to: (i) keep Series 008 Securities (as potentially amended); or (ii) receive Refinancing Series C Non-Convertible Bonds	
					<u>Option C</u> Receive Refinancing Series C Non-Convertible Bonds	<u>Option D</u> Keep Series 008 Securities (as potentially amended)

(\*Delete as appropriate)

(\*\*Insert principal amount of Securities under the relevant column or columns. Each figure must be in multiples of S\$250,000. The total principal amount in both columns must equal to the principal amount of Earmarked Securities in the immediately preceding column.)

^Please present your passport (if you are not a Singapore citizen) or identity card (if you are a Singapore citizen) immediately prior to the Meeting to gain entry to the Meeting.

^^Please check that the total does not exceed the “Free Balance” in your Securities Account.

2. I/we acknowledge that the appointment of such proxy or proxies is neither revocable nor subject to amendment after 11.30 a.m. (Singapore time) on 19 November 2017, which is the Expiration Time (as defined in Note A2 below).

Notes for Paragraphs 1 and 2:

- A1. This form is to be completed only by a Securityholder whose Securities are credited in a CDP Direct Securities Account or a CDP Securities Sub-Account. If you hold Securities through a bank, custodian, nominee, broker or other depository, you need to instruct such bank, custodian, nominee, broker or other depository to complete this form on your behalf.
- A2. If (a) a Securityholder does not wish to attend the Meeting or any adjourned Meeting in person but rather wishes a proxy to be appointed to attend on its behalf, or (b) a beneficial owner of Security(ies) held by a Direct Participant wishes to attend the Meeting or any adjourned Meeting, it should appoint such other person or such beneficial owner, as the case may be, as its proxy and to complete and execute this Voting Instruction Form and post or otherwise deposit it with the Meeting Agent so as to arrive on the Consent Deadline (if such Securityholder wishes to obtain the Consent Fee), but in any event no later than 11.30 a.m. (Singapore time) on 19 November 2017 (the “**Expiration Time**”) or 24 hours prior to the time appointed for the holding of any such adjourned Meeting.
- A3. Where possible, Securityholders who hold Securities on behalf of Beneficial Owners are requested to submit only one Voting Instruction Form in respect of their entire aggregate holding.
- A4. Securityholders who hold Security(ies) on behalf of Beneficial Owners are requested to specify only one account number to which the net proceeds of the sale of any Consent Fee Shares (if applicable) would be credited in respect of their entire aggregate holding. Such Securityholders are reminded that provided this is followed and subject to the Settlement Conditions, the Consent Fee (if applicable) would be credited to such specified account on the Settlement Date. The Issuer may elect to waive any Settlement Conditions at its sole and absolute discretion. In any event, none of the Issuer, the MTN Trustee, the Issuing and Paying Agent or the Meeting Agent shall be liable for any delay in payment of the Consent Fee arising from the bank account details in a Voting Instruction Form not having been duly completed. None of the Issuer, the MTN Trustee, the Issuing and Paying Agent or the Meeting Agent will be responsible for ensuring that the Consent Fee (if applicable) is actually received by the relevant Securityholder.
- A5. Securityholders who are individuals will have to submit copies of their passports or identity cards to the Meeting Agent together with this Voting Instruction Form.
- A6. Securityholders who submit this Voting Instruction Form represent, warrant and undertake to the Issuer, the MTN Trustee and the Meeting Agent that any personal data of any individual provided has been obtained with such individual’s consent and hereby consents on behalf of such individual to the collection, use and disclosure of his/her personal data by the Issuer, the MTN Trustee and the Meeting Agent (and any of its respective officers), in each case, in accordance with the terms of the Notice of Meeting and the provisions of the Singapore Personal Data Protection Act 2012 (No. 26 of 2012). Any consent given hereunder in relation to personal data shall survive death, incapacity, bankruptcy or insolvency of any such individual and the termination or conclusion of the Meeting. For the purposes hereunder, “**personal data**” has the meaning ascribed to it in the Singapore Personal Data Protection Act 2012 (No. 26 of 2012).

**\*\*\*IF THE SECURITYHOLDER WISHES TO APPOINT THE MEETING AGENT TO ATTEND AND VOTE ON ITS BEHALF AT THE MEETING, PLEASE COMPLETE PARAGRAPHS 3, 4, 5, 6, 7 AND 8.**

**PLEASE DO NOT FILL IN PARAGRAPHS 3 AND 4 IF THE SECURITYHOLDER WISHES TO APPOINT A PROXY OTHER THAN THE MEETING AGENT TO ATTEND AND VOTE ON ITS BEHALF AT THE MEETING. PRIOR TO COMPLETING PARAGRAPHS 3 AND 4, PLEASE READ THE NOTES OVERLEAF.**

3. I/We, the undersigned, being the holder(s) of the Security(ies) of the principal amount and credited to the Direct Securities Account Number(s) or Securities Sub-Account Number(s) specified in this paragraph (the “**Earmarked Securities**”), hereby appoint the Meeting Agent as our proxy to attend the Meeting or any adjournment thereof and to appoint a proxy or proxies to cast the vote(s) in respect of the Earmarked Securities in accordance with paragraph 4 below.
  
4. I/We instruct you that the votes attributable to my/our Earmarked Securities should be cast in favour of or against each Extraordinary Resolution set out in the Issuer’s Notice of Meeting to Securityholders dated 23 October 2017 (the “**Notice**”) to be put to the Meeting or any adjournment thereof as indicated below and I/we acknowledge that these instructions are neither revocable nor subject to amendment after the Expiration Time (and if I/we have provided these instructions to you on or prior to 5.00 p.m. (Singapore time) on 15 November 2017 (the “**Consent Deadline**”) and I/we wish to obtain the Consent Fee, I/we will not revoke or amend such instructions after the Consent Deadline).

**Security: Series 008 S\$150,000,000 7.00 per cent. Subordinated Perpetual Securities (ISIN: SG6UH9000009)**

Serial No.	*Direct Securities Account Number(s)/ *Securities Sub-Account Number(s)	Name of Direct Account Holder or CDP Depository Agent (applicable where Securities Sub-Account Number is specified)	Principal Amount (S\$) (now standing to the credit of the “Free Balance” in the Securities Account)	**Voting Instruction to Meeting Agent in respect of Extraordinary Resolution No. 1		***Election to: (i) keep Series 008 Securities (as potentially amended); or (ii) receive Refinancing Series C Non-Convertible Bonds	
				IN FAVOUR  (Please indicate with a ✓)	AGAINST  (Please indicate with a ✓)	<u>Option C</u>  Receive Refinancing Series C Non-Convertible Bonds	<u>Option D</u>  Keep Series 008 Securities (as potentially amended)

(\*Delete as appropriate) (See Note B3 below)

(\*\*To be eligible to receive the Consent Fee, a Securityholder must vote IN FAVOUR of both Extraordinary Resolution No. 1 AND Extraordinary Resolution No. 2)

(\*\*\*Insert principal amount of Securities under the relevant column or columns. Each figure must be in multiples of S\$250,000. The total principal amount in both columns must equal to the principal amount of Earmarked Securities in the column entitled “Principal Amount (S\$) (now standing to the credit of the “Free Balance” in the Securities Account)”.)



^Please check that the total does not exceed the “Free Balance” in your Securities Account.

^^Please submit a copy of your passport (if you are not a Singapore citizen) or identity card (if you are a Singapore citizen). See Note B5 of this Voting Instruction Form.

Notes for Paragraphs 3 and 4:

- B1. This form is to be completed only by a Securityholder whose Securities are credited in a CDP Direct Securities Account or a CDP Securities Sub-Account. If you hold Securities through a bank, custodian, nominee, broker or other depository, you need to instruct such bank, custodian, nominee, broker or other depository to complete this form on your behalf.
- B2. If a Securityholder does not wish to attend and vote at the Meeting or any adjourned Meeting in person but rather wishes a proxy to be appointed to attend and vote thereat on its behalf, it should complete and execute this Voting Instruction Form and post or otherwise deposit it with the Meeting Agent so as to arrive on the Consent Deadline (if such Securityholder wishes to obtain the Consent Fee), but in any event no later than 11.30 a.m. (Singapore time) on 19 November 2017 or 24 hours prior to the time appointed for the holding of any such adjourned Meeting. The Meeting Agent will then appoint a proxy to attend and cast the vote(s) attributable to such Security(ies) at the Meeting as instructed by such Securityholder.
- B3. Please delete as appropriate. If no deletion is made, this Voting Instruction Form will be of no effect. Where possible, Securityholders who hold Securities on behalf of Beneficial Owners are requested to submit only one Voting Instruction Form in respect of their entire aggregate holding.
- B4. Securityholders who hold Security(ies) on behalf of Beneficial Owners are requested to specify only one account number to which the net proceeds of the sale of any Consent Fee Shares (if applicable) would be credited in respect of their entire aggregate holding. Such Securityholders are reminded that provided this is followed and subject to the Settlement Conditions, the Consent Fee (if applicable) would be credited to such specified account on the Settlement Date. The Issuer may elect to waive any Settlement Conditions at its sole and absolute discretion. In any event, none of the Issuer, the MTN Trustee, the Issuing and Paying Agent or the Meeting Agent shall be liable for any delay in payment of the Consent Fee arising from the bank account details in a Voting Instruction Form not having been duly completed. None of the Issuer, the MTN Trustee, the Issuing and Paying Agent or the Meeting Agent will be responsible for ensuring that the Consent Fee (if applicable) is actually received by the relevant Securityholder.
- B5. Securityholders who are individuals will have to submit copies of their passports or identity cards to the Meeting Agent together with this Voting Instruction Form.
- B6. Securityholders who submit this Voting Instruction Form represent, warrant and undertake to the Issuer, the MTN Trustee and the Meeting Agent that any personal data of any individual provided has been obtained with such individual's consent and hereby consents on behalf of such individual to the collection, use and disclosure of his/her personal data by the Issuer, the MTN Trustee or the Meeting Agent (and any of their respective officers), in each case, in accordance with the terms of the Consent Solicitation and the provisions of the Singapore Personal Data Protection Act 2012 (No. 26 of 2012). Any consent given hereunder in relation to personal data shall survive death, incapacity, bankruptcy or insolvency of any such individual and the termination or expiration of the Consent Solicitation. For the purposes hereunder, "**personal data**" has the meaning ascribed to it in the Singapore Personal Data Protection Act 2012 (No. 26 of 2012).

5. I/We authorise you to instruct CDP to earmark the quantity of Earmarked Securities indicated and held in the Direct Securities Account Number(s) or Securities Sub-Account Number(s) specified above in relation to my/our Earmarked Securities for the purposes of the Meeting or any adjourned Meeting. I/We further authorise you to instruct CDP to remove the earmark at the earliest of:
- (a) (in the case where Extraordinary Resolution No. 1 of the Securities and the Shareholders' Extraordinary Resolution(s) has each been duly passed on or before 31 March 2018) the Redemption Date;
  - (b) (in the case where Extraordinary Resolution No. 1 of the Securities has been duly passed but the Shareholders' Extraordinary Resolution(s) has not been duly passed by Shareholders on or before 31 March 2018), the business day after 31 March 2018;
  - (c) (in the case where Extraordinary Resolution No. 1 of the Securities has not been passed) the conclusion of the Meeting (or, if applicable, any adjournment of the Meeting);
  - (d) (in the case where the Consent Solicitation is terminated) the date of termination of the Consent Solicitation; and
  - (e) in the case where I/we have given instructions for the appointment of a proxy, not less than 24 hours before the time for which the Meeting is convened, the Meeting Agent receives a notification in writing of my/our revocation of my/our previous appointment of such proxy, and such Securities ceases in accordance with the procedures of CDP (with the agreement of the Meeting Agent) to be held to its order.
6. (a) If I/We have elected for Option C, I/We instruct you to credit the net proceeds of the sale of any Consent Fee Shares (if applicable) to my/our Singapore bank account set out below.

(See Notes A4 and B4 above.)

Account Name : \_\_\_\_\_

Account Number : \_\_\_\_\_

Name of Bank : \_\_\_\_\_

Bank Branch : \_\_\_\_\_

Bank SWIFT Code : \_\_\_\_\_

(only Singapore dollar accounts in Singapore may be specified)

- (b) If I/We have elected for Option D, I/We instruct you to credit the Consent Fee Shares (if applicable) to the Direct Securities Account or Securities Sub-Account specified in paragraphs 1 or 4 above.

7. (a) If I/We have elected for Option C, I/we instruct you to register the Distribution Note in the name of, and deliver the Distribution Note to:

Name: .....

NRIC/Passport Number/UEN No.: .....

Address:.....

(b) If I/We have elected for Option D, I/we instruct you to deliver the Shares payable in respect of accrued distribution to the Direct Securities Account or Securities Sub-Account specified in paragraphs 1 or 4 above.

8. My/our contact details are as follows:

Name: ..... Tel No.:.....

NRIC/Passport Number: ..... Mobile No.:.....

Address:..... Fax No.:.....

Principal amount of Security(ies) which is/are the subject of this Voting Instruction Form:

S\$ .....

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 2017.

(\*Delete as appropriate)

Signature(s) or Common Seal(s) of Securityholder(s):

.....

.....

(\* Common Seal(s) of Securityholder(s) to be affixed in the presence of authorised signatories whose signatures must be included in this Voting Instruction Form)



STAMP

**MEETING AGENT**  
**Tricor Singapore Pte. Ltd.**  
**(trading as Tricor Barbinder Share Registration Services)**

80 Robinson Road, #11-02  
Singapore 068898

Reminder

Please ensure that you have submitted the items below by indicating  $\surd$  against the items below:

- Completed Voting Instruction Form
- CDP Account Number & Contact Details
- Copy of NRIC / Passport (for individual holders)
- Common Seal witnessed by 2 Authorised Signatories (for Corporations)

## Appendix C

### Form of Tax Residency Declaration Form

#### Meetings of the holders of the outstanding

Series 003 S\$110,000,000 4.70 per cent. Notes due 2019 (ISIN: SG56F6993056) (the “**Series 003 Securities**”)

Series 004 S\$60,000,000 4.60 per cent. Notes due 2018 (ISIN: SG57D3995685) (the “**Series 004 Securities**”)

Series 005 S\$50,000,000 4.85 per cent. Notes due 2019 (ISIN: SG6OF1000004) (the “**Series 005 Securities**”)

Series 006 S\$55,000,000 5.10 per cent. Notes due 2020 (ISIN: SG6PB3000008) (the “**Series 006 Securities**”)

Series 007 S\$150,000,000 4.875 per cent. Notes due 2021 (ISIN: SG6RD2000001) (the “**Series 007 Securities**”)

Series 008 S\$150,000,000 7.00 per cent. Subordinated Perpetual Securities (ISIN: SG6UH9000009) (the “**Series 008 Securities**” and, together with the Series 003 Securities, the Series 004 Securities, the Series 005 Securities, the Series 006 Securities and the Series 007 Securities, the “**Securities**”)

issued under the S\$1,500,000,000 Multicurrency Debt Issuance Programme of  
Ezion Holdings Limited  
(the “**Issuer**”)

Convened on 20 November 2017 at  
8 Wilkie Road, #03-08 Wilkie Edge, Singapore 228095

**NOTICE:** Holders and/or beneficial owners of the Securities are requested to complete this form according to the instructions herein and to return a completed form, together with a duly completed Voting Instruction Form, to the Meeting Agent at the address set forth on the back cover of the Consent Solicitation Statement dated 23 October 2017 (the “**Consent Solicitation Statement**”) by:

- for the Series 003 Securities, **9.00 a.m.** (Singapore time) on **18 November 2017**;
- for the Series 004 Securities, **9.30 a.m.** (Singapore time) on **18 November 2017**;
- for the Series 005 Securities, **10.00 a.m.** (Singapore time) on **18 November 2017**;
- for the Series 006 Securities, **10.30 a.m.** (Singapore time) on **18 November 2017**;
- for the Series 007 Securities, **11.00 a.m.** (Singapore time) on **18 November 2017**; and
- for the Series 008 Securities, **11.30 a.m.** (Singapore time) on **19 November 2017**.

Capitalised or other terms used but not defined in this form shall, unless the context otherwise requires, have the meanings set out in the Consent Solicitation Statement.

Please make sure that the information and declaration made in this form is true and correct.

Type of Beneficial Owner of the Securities	To complete the following:
<b>Individual</b> and tax resident in Singapore for Singapore tax purposes*	Section A – (A) Part 1 – Individual’s Particulars; and (B) Part 2 – Confirmation for Singapore Tax Resident Individual.
<b>Individual</b> and not tax resident in Singapore for Singapore tax purposes	Section A –

but tax resident in a treaty country**	(A) Part 1 – Individual’s Particulars; and (B) Part 3 – Confirmation for Non-Singapore Tax Resident Individual Resident in a Treaty Country.
<b>Individual</b> and not tax resident in Singapore for Singapore tax purposes but tax resident in a non-treaty country**	Section A – (A) Part 1 – Individual’s Particulars; and (B) Part 4 – Confirmation for Non-Singapore Tax Resident Individual Resident in a Non-Treaty Country.
<b>Non-Individuals</b> and a company or entity tax resident in Singapore for Singapore tax purposes* or a branch of a non-resident company in Singapore	Section B – (A) Part 1 – Beneficial Owner Particulars; and (B) Part 2 – Confirmation for Beneficial Owner that is a Singapore Tax Resident Company or Entity, or a Branch of a Non-Resident Company in Singapore.
<b>Non-Individuals</b> and a non-Singapore tax resident company or entity resident in a treaty country**	Section B – (A) Part 1 – Beneficial Owner Particulars; and (B) Part 3 – Confirmation for Beneficial Owner that is a Non-Singapore Tax Resident Company or Entity Resident in a Treaty Country.
<b>Non-Individuals</b> and a non-Singapore tax resident company or entity not resident in a treaty country**	Section B – (A) Part 1 – Beneficial Owner Particulars; and (B) Part 4 – Confirmation for Beneficial Owner that is a Non-Singapore Tax Resident Company or Entity Not Resident in a Treaty Country.

To: Ezion Holdings Limited

SECTION A

Confirmation of Tax Residency for Singapore Withholding Tax Purposes

(In respect of Beneficial Owners of the Securities who are Individuals)

**Part 1 – Individual’s Particulars**

Name of individual that is the beneficial owner of  
[the Series 003 Securities/  
the Series 004 Securities/  
the Series 005 Securities/ :  
the Series 006 Securities/  
the Series 007 Securities]\*

\_\_\_\_\_

Mailing address :

\_\_\_\_\_

Please note that we may need to contact you for additional information or clarification if necessary.

\*Delete where appropriate.

**Part 2 – Confirmation for Singapore Tax Resident Individual (if applicable)**

I confirm that the beneficial owner of the Security(ies) is an individual tax resident in Singapore for Singapore tax purposes\*.

I understand that this confirmation is made for the purpose of establishing whether Singapore withholding tax is applicable on any amounts payable to the beneficial owner of the Security(ies) in respect of this Consent Solicitation.

Please tick only the box that is applicable:

I hereby confirm that:-

- I am the beneficial owner of the Security(ies).
- I am duly authorised by the beneficial owner of the Security(ies) to make this declaration for and on his or her behalf.

Full name and signature of person making the confirmation : \_\_\_\_\_

Capacity of person making the confirmation : \_\_\_\_\_

*(To specify details if signatory is not the beneficial owner of the Security(ies))*

Date of confirmation : \_\_\_\_\_

Contact person and number : \_\_\_\_\_

**Part 3 – Confirmation for Non-Singapore Tax Resident Individual Resident in a Treaty Country (if applicable)**



I confirm that the beneficial owner of the Security(ies) is a tax resident of [*name of treaty country* \*\*: \_\_\_\_\_] and is able to rely on the relevant tax treaty between such country and Singapore.

Original Certificate of Residence (COR – issued and signed by the foreign tax authority): Please provide the original COR\*\*\* to Ezion Holdings Limited within 1 month from the date of the confirmation below.

I understand that this confirmation is made for the purpose of establishing the amount of Singapore withholding tax applicable on any amounts payable to the beneficial owner of the Security(ies) in respect of this Consent Solicitation.

Please tick only the box that is applicable:

I hereby confirm that:-

- I am the beneficial owner of the Security(ies).
- I am duly authorised by the beneficial owner of the Security(ies) to make this declaration for and on his or its behalf.

I confirm that any amounts payable to the beneficial owner of the Security(ies) in respect of this Consent Solicitation is not derived by the beneficial owner of the Security(ies) through a partnership in Singapore or from any trade, business, profession or vocation carried on or exercised in Singapore, and is not effectively connected with any permanent establishment \*\*\*\* in Singapore.

Full name and signature of person making the confirmation : \_\_\_\_\_

Capacity of person making the confirmation : \_\_\_\_\_

*(To specify details if signatory is not the beneficial owner of the Security(ies))*

Date of confirmation : \_\_\_\_\_

Contact person and number : \_\_\_\_\_

**Part 4 – Confirmation for Non-Singapore Tax Resident Individual Resident in a Non-Treaty Country (if applicable)**

I confirm that the beneficial owner of the Security(ies) is a tax resident of [*name of non-treaty country*\*\* : \_\_\_\_\_ ].

I understand that this confirmation is made for the purpose of establishing the amount of Singapore withholding tax applicable on any amounts payable to the beneficial owner of the Security(ies) in respect of this Consent Solicitation.

Please tick only the box that is applicable:

I hereby confirm that:-

- I am the beneficial owner of the Security(ies).
- I am duly authorised by the beneficial owner of the Security(ies) to make this declaration for and on his or its behalf.

I confirm that any amounts payable to the beneficial owner of the Security(ies) in respect of this Consent

Solicitation is not derived by the beneficial owner of the Security(ies) through a partnership in Singapore or from any trade, business, profession or vocation carried on or exercised in Singapore, and is not effectively connected with any permanent establishment \*\*\*\* in Singapore.

Full name and signature of person making the confirmation : \_\_\_\_\_

Capacity of person making the confirmation : \_\_\_\_\_

*(To specify details if signatory is not the beneficial owner of the Security(ies))*

Date of confirmation : \_\_\_\_\_

Contact person and number : \_\_\_\_\_

\* A Singapore tax resident means a person who, in the year preceding the year of assessment, resides in Singapore except for such temporary absences therefrom as may be reasonable and not inconsistent with a claim by such person to be resident in Singapore, and includes a person who is physically present or who exercises an employment (other than as a director of a company) in Singapore for 183 days or more during the year preceding the year of assessment.

\*\* A list of treaty countries is attached as Appendix I for your easy reference.

\*\*\* A format of the certificate of residence is attached as Appendix II for your easy reference.

\*\*\*\* Permanent establishment means a fixed place where a business is wholly or partly carried on including a place of management, a branch, an office, a factory, a warehouse, a workshop, a farm or plantation, a mine, oil well, quarry or other place of extraction of natural resources, a building or work site or a construction, installation or assembly project. In addition, a person shall be deemed to have a permanent establishment in Singapore if it:

(i) carries on supervisory activities in connection with a building or work site or a construction, installation or assembly project; or

(ii) has another person acting on that person's behalf in Singapore who:

(a) has and habitually exercises an authority to conclude contracts;

(b) maintains a stock of goods or merchandise for the purpose of delivery on that person's behalf;  
or

(c) habitually secures orders wholly and almost wholly for that person or for such other enterprises as are controlled by that person.

**SECTION B**

**Confirmation of Tax Residency for Singapore Withholding Tax Purposes**

**(In respect of Beneficial Owners of the Securities who are Non-Individuals)**

<b>Part 1 – Beneficial Owner Particulars</b>	
Name of non-individual that is the beneficial owner of [the Series 003 Securities/ the Series 004 Securities/ the Series 005 Securities/ the Series 006 Securities/ the Series 007 Securities]* :	_____
Registered address :	_____
Please note that we may need to contact you for additional information or clarification if necessary.	
*Delete where appropriate.	
<b>Part 2 – Confirmation for Beneficial Owner that is a Singapore Tax Resident Company or Entity, or a Branch of a Non-Resident Company in Singapore (if applicable)</b>	
Please tick only the box that is applicable:	
<input type="checkbox"/> We confirm that the beneficial owner of the Security(ies) is tax resident in Singapore for Singapore tax purposes*.	
<input type="checkbox"/> We confirm that the beneficial owner of the Security(ies) is a branch of a non-resident company in Singapore.	
We understand that this confirmation is made for the purpose of establishing whether Singapore withholding tax is applicable on any amounts payable to the beneficial owner of the Security(ies) in respect of this Consent Solicitation.	
Please tick only the box that is applicable:	
We hereby confirm that:-	
<input type="checkbox"/> We are the beneficial owner of the Security(ies).	
<input type="checkbox"/> We are duly authorised by the beneficial owner of the Security(ies) to make this declaration for and on its behalf.	
Full name and signature of person making the confirmation	: _____

Capacity of person making the confirmation : \_\_\_\_\_

*(To specify details if signatory is not the beneficial owner of the Security(ies))*

Date of confirmation : \_\_\_\_\_

Contact person and number : \_\_\_\_\_

**Part 3 – Confirmation for Beneficial Owner that is a Non-Singapore Tax Resident Company or Entity Resident in a Treaty Country (if applicable)**

We confirm that the beneficial owner of the Security(ies) is a tax resident of [*name of treaty country \*\**: \_\_\_\_\_] and is able to rely on the relevant tax treaty between such country and Singapore.

Original Certificate of Residence (COR – issued and signed by the foreign tax authority): Please provide the original COR\*\*\* to Ezion Holdings Limited within 1 month from the date of the confirmation below.

We understand that this confirmation is made for the purpose of establishing the amount of Singapore withholding tax applicable on any amounts payable to the beneficial owner of the Security(ies) in respect of this Consent Solicitation.

Please tick only the box that is applicable:

We hereby confirm that:-

- We are the beneficial owner of the Security(ies).
- We are duly authorised by the beneficial owner of the Security(ies) to make this declaration for and on his or its behalf.

We confirm that any amounts payable to the beneficial owner of the Security(ies) in respect of this Consent Solicitation is not derived by the beneficial owner of the Security(ies) from any trade, business, profession or vocation carried on or exercised in Singapore and is not effectively connected with any permanent establishment \*\*\*\* in Singapore.

Full name and signature of person making the confirmation : \_\_\_\_\_

Capacity of person making the confirmation : \_\_\_\_\_

*(To specify details if signatory is not the beneficial owner of the Security(ies))*

Date of confirmation : \_\_\_\_\_

Contact person and number : \_\_\_\_\_

**Part 4 – Confirmation for Beneficial Owner that is a Non-Singapore Tax Resident Company or Entity Not Resident in a Treaty Country**

We confirm that the beneficial owner of the Security(ies) is tax resident in [*name of non-treaty country\*\**: \_\_\_\_\_].

We understand that this confirmation is made for the purpose of establishing the amount of Singapore withholding tax applicable on any amounts payable to the beneficial owner of the Security(ies) in respect of this Consent Solicitation.

Please tick only the box that is applicable:

We hereby confirm that:-

- We are the beneficial owner of the Security(ies).
- We are duly authorised by the beneficial owner of the Security(ies) to make this declaration for and on his or its behalf.

We confirm that any amounts payable to the beneficial owner of the Security(ies) in respect of this Consent Solicitation is not derived by the beneficial owner of the Security(ies) from any trade, business, profession or vocation carried on or exercised in Singapore and is not effectively connected with any permanent establishment\*\*\*\* in Singapore.

Full name and signature of person making the confirmation : \_\_\_\_\_

Capacity of person making the confirmation : \_\_\_\_\_

*(To specify details if signatory is not the beneficial owner of the Security(ies))*

Date of confirmation : \_\_\_\_\_

Contact person and number : \_\_\_\_\_

\* A Singapore tax resident means a company or body of persons the control and management of whose business is exercised in Singapore.

\*\* A list of treaty countries is attached as Appendix I for your easy reference.

\*\*\* A format of the certificate of residence is attached as Appendix II for your easy reference.

\*\*\*\* Permanent establishment means a fixed place where a business is wholly or partly carried on including a place of management, a branch, an office, a factory, a warehouse, a workshop, a farm or plantation, a mine, oil well, quarry or other place of extraction of natural resources, a building or work site or a construction, installation or assembly project. In addition, a person shall be deemed to have a permanent establishment in Singapore if it:

- (i) carries on supervisory activities in connection with a building or work site or a construction, installation or assembly project; or
- (ii) has another person acting on that person's behalf in Singapore who:
  - (a) has and habitually exercises an authority to conclude contracts;
  - (b) maintains a stock of goods or merchandise for the purpose of delivery on that person's behalf; or
  - (c) habitually secures orders wholly and almost wholly for that person or for such other enterprises as are controlled by that person.

## Appendix I

### List of Treaty Countries

No.	Country	No.	Country
1	Albania	42	Luxembourg
2	Australia	43	Malaysia
3	Austria	44	Malta
4	Bahrain	45	Mauritius
5	Bangladesh	46	Mexico
6	Barbados	47	Mongolia
7	Belarus	48	Morocco
8	Belgium	49	Myanmar
9	Brunei	50	Netherlands
10	Bulgaria	51	New Zealand
11	Canada	52	Norway
12	China	53	Oman
13	Cyprus	54	Pakistan
14	Czech Republic	55	Panama
15	Denmark	56	Papua New Guinea
16	Ecuador	57	Philippines
17	Egypt	58	Poland
18	Estonia	59	Portugal
19	Fiji	60	Qatar
20	Finland	61	Romania
21	France	62	Russian Federation
22	Georgia	63	Rwanda
23	Germany	64	San Marino
24	Guernsey	65	Saudi Arabia
25	Hungary	66	Seychelles
26	India	67	Slovak Republic
27	Indonesia	68	Slovenia
28	Ireland	69	South Africa
29	Isle of Man	70	Spain
30	Israel	71	Sri Lanka
31	Italy	72	Sweden
32	Japan	73	Switzerland
33	Jersey	74	Taiwan
34	Kazakhstan	75	Thailand
35	South Korea	76	Turkey
36	Kuwait	77	Ukraine
37	Laos	78	United Arab Emirates
38	Latvia	79	United Kingdom
39	Libya	80	Uruguay
40	Liechtenstein	81	Uzbekistan
41	Lithuania	82	Vietnam

## Appendix II

Certificate of Residence for the Year Ending \_\_\_\_\_

To: The Comptroller of Income Tax, Singapore

**In compliance with the agreement between Singapore and \_\_\_\_\_ for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, we hereby certify that the individual/company named below is a resident of \_\_\_\_\_ for tax purposes.**

<b>PARTICULARS OF CLAIMANT</b> (Non-resident)	<b>PARTICULARS OF SINGAPORE COMPANY</b> (Local Payer)
<b>Tax Reference No.</b>	<b>Tax Reference No.</b> 199904364E
<b>Name:</b>	<b>Name:</b> Ezion Holdings Limited
<b>Address:</b>	<b>Address:</b> 15 Hoe Chiang Road, #12-05 Tower Fifteen Singapore 089316

**This certificate acts as a valuable document and is issued upon the request of the abovementioned claimant for whichever legal purpose it may serve.**

---

**Name of Tax Official** : \_\_\_\_\_

**Designation** : \_\_\_\_\_

**Signature** : \_\_\_\_\_

**Date** : \_\_\_\_\_

**Address of Tax office** : \_\_\_\_\_

\_\_\_\_\_

**Country** : \_\_\_\_\_

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**Official Stamp of Tax Authority**



## Appendix D

### Company Information Memorandum

#### Overview

The Group is primarily engaged in the business activities of providing liftboats, service rigs and Offshore Logistics Support Services. The Group's business activities are classified under the two principal operating segments, namely (a) Production and Maintenance Support Segment and (b) Exploration and Development Support Segment. In September 2000, the Issuer was listed on the SGX-ST Dealing and Automated Quotation System, the predecessor trading board of Catalist ("Catalist"). It transferred its listing from Catalist to the Main Board of the SGX-ST ("Main Board") in May 2010.

#### *Production and Maintenance Support Segment*

The Group's principal business is the design, ownership, chartering and management of liftboats, service rigs and vessels involved in the production and maintenance phase of the oil and gas industry.

#### *Exploration and Development Support Segment*

The Group is also engaged in the owning, chartering and management of rigs and vessels involved in the exploration and developmental phase of the oil and gas industry.

#### Segmental Breakdown

The segmental revenue contribution and asset breakdown of the Group are as follows:

##### Segmental Revenue Contribution in FY2016

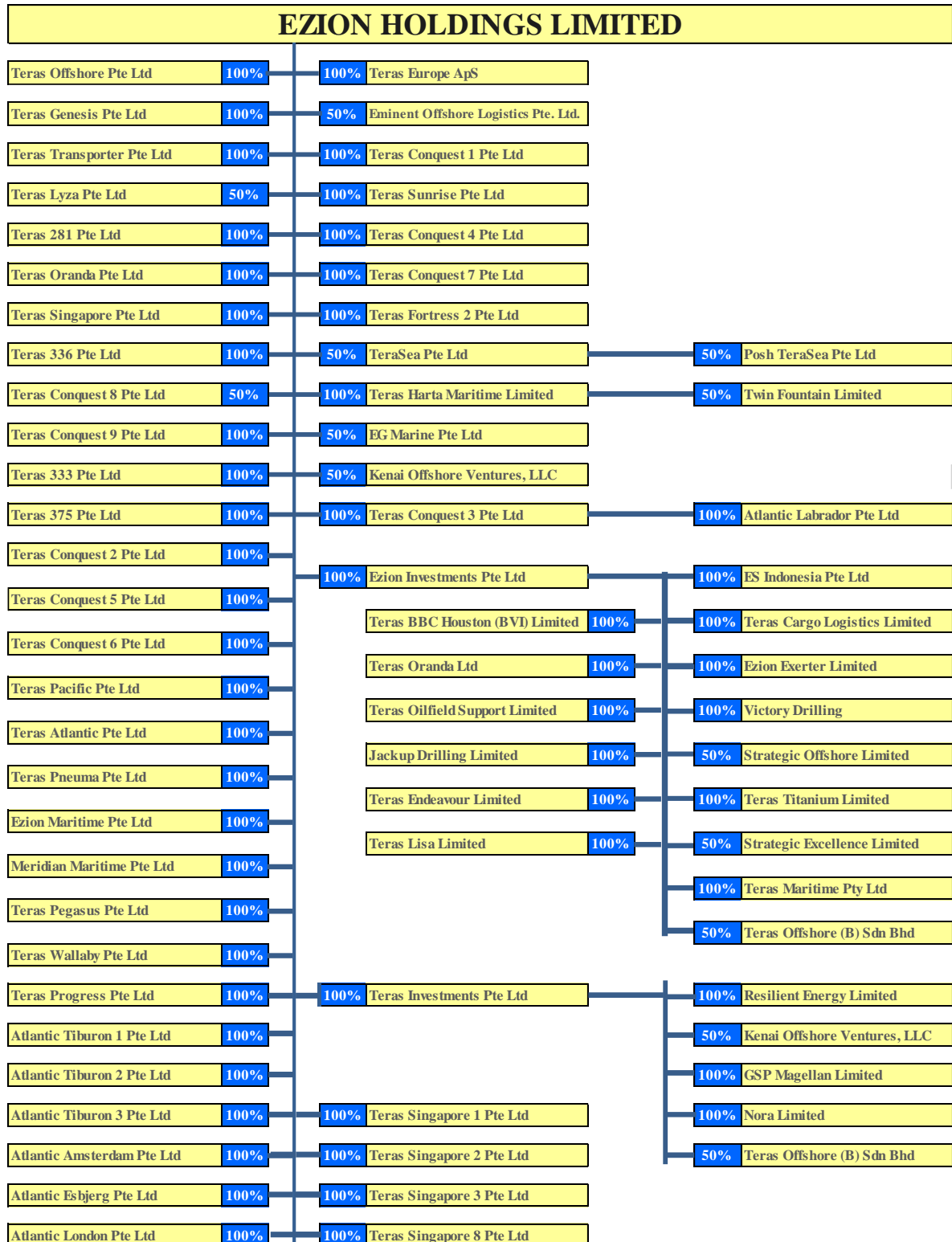
Segment	Revenue (US\$ in millions)	% of Total Revenue
Production and Maintenance Support Segment	276.2	86.8%
Exploration and Development Support Segment	41.5	13.0%
Others	0.5	0.2%
Total	<b>318.2</b>	<b>100.0%</b>

##### Segmental Assets Breakdown as at 31 December 2016

Segment	Assets (US\$ in millions)	% of Total Assets
Production and Maintenance Support Segment	2,415.7	80.5%
Exploration and Development Support Segment	452.7	15.1%
Others	133.3	4.4%
Total	<b>3,001.7</b>	<b>100.0%</b>

## Group Structure

The chart below shows the Group's corporate structure as of the Latest Practicable Date.



## Fleet

The Group owns the following fleet of vessels:

	Owned by the Group	Vessels owned by Joint Venture Companies with loans for which the Group has provided corporate guarantees	Total
<b>Liftboats</b>	<b>10 *</b>	<b>4</b>	<b>14</b>
<b>Service Rigs</b>			
- <b>Accommodation Rigs</b>	<b>4</b>	<b>1</b>	<b>5</b>
- <b>Mobile Offshore Production Unit</b>	<b>1</b>	<b>0</b>	<b>1</b>
- <b>Drilling, Workover &amp; Well-Servicing Rigs</b>	<b>10</b>	<b>4</b>	<b>14</b>
<b>Offshore Logistics Vessels</b>	<b>42</b>	<b>3</b>	<b>45</b>
<b>Total</b>	<b>67</b>	<b>12</b>	<b>79</b>

\* Including two liftboats under construction

### Liftboats

Liftboats are jack-up rigs with multi-purpose functionality and self-propulsion capabilities (“**Liftboats**”). The Group owns one of the largest and most sophisticated class of Liftboats in the world and was one of the first companies to promote the use of Liftboats in the Asia Pacific region.

The Group’s Liftboats provide its customers with:

- a stable work platform under all-weather conditions for a wide array of offshore service functions including construction, work-over, well intervention, such stability allowing for the conduct of service functions during harsh weather conditions (e.g. monsoon season);
- a self-propulsion mechanism that allows independent mobilisation resulting in savings on mobilisation costs in comparison to a traditional service rig;
- multi-functional capabilities, eradicating the requirement for a few different types of vessels such as workboats, tugs and barges; and
- operating capability in water depths of up to 360 feet.

The Group believes that these characteristics result in a lower cost alternative for a wide array of offshore service functions than the deployment of a combination of workboats, tugs and barges. Furthermore, Liftboats are safer, more productive and more efficient as compared to the deployment of a combination of workboats, tugs and barges. See “The Issuer – Competition” and “The Issuer – Competitive Strengths” for further details.

The Management also believe that the Liftboats offer the Group competitive advantages in competing for tenders against companies which tender on the basis of a combination of conventional workboats, tugs and barges due to the characteristics of the Group's Liftboats.

The Group's Liftboats are primarily deployed for the servicing and intervention of oil wells, commissioning, maintenance, repair and decommissioning of offshore production platform infrastructure as well as for accommodation support. The Liftboats are deployed in offshore oil and gas projects in the Southeast Asia, Middle East and West Africa regions. The end users of the Liftboats are generally national oil companies or multinational oil majors. The Group recently also secured deployment of Liftboats to support state owned enterprises in China in offshore windfarm installation projects.

#### *Service Rigs*

In the years prior to the oil crisis, the Group acquired a fleet of drilling rigs with the intention of upgrading or converting them for other uses such as accommodation and mobile offshore production ("**Service Rigs**"). The drilling rigs were originally used for exploration, development and production purposes in various oil and gas projects. Upon conversion, the accommodation rigs can be used to provide accommodation services for offshore oil and gas platform repair and maintenance works as well as offshore windfarm construction projects, while mobile offshore production units can be used for low-cost extraction of oil and gas from the seabed in shallow waters as compared to installing permanent production platforms. Some of the drilling rigs are utilised for workover operations including well servicing activities to improve production of the oil wells. The end users of the Service Rigs are generally national oil majors, multinational oil companies or multinational offshore windfarm owners in the Southeast Asia, South Asia, Middle East, Central America and the North Sea regions.

#### *Offshore Logistics Vessels*

The Group provides charter services for offshore oil and gas support vessels across the entire oilfield lifecycle which spans exploration, construction of offshore production platform infrastructure, production, maintenance and decommissioning of offshore production platform infrastructure. The Group's vessels which are used in this division are mostly chartered on a short term basis.

These vessels comprise flat top barges, flat top ballastable barges, semi-submersible barges, tugs, landing craft transports, trans-ocean multi-purpose vessels, chemical product tankers and work maintenance vessels (collectively, the "**Offshore Logistics Vessels**").




The Offshore Logistics Vessels are typically deployed in offshore oil and gas projects in Australia and in the Asia Pacific, Central Americas and Middle East regions. The Group's customers are generally multinational companies in the offshore oil and gas industry.

The Group's Offshore Logistics Vessels are primarily deployed for:

- (a) transportation of offshore platforms, jackets, piles and bridges;
- (b) logistics support for commissioning and decommissioning of offshore production platform infrastructure;
- (c) logistics support for pipe-laying operations;
- (d) maintenance of offshore production platform infrastructure and subsea pipelines;
- (e) transportation of top-sides for floating production, storage and offloading units and floating storage and offloading units; and
- (f) engineering and management support for vessel conversion.

*Summary of fleet*

The Group's Liftboats are all less than seven years in age, with the average age being less than three years in age. Other than the Group's Liftboats, the Group's vessels were purchased, refurbished or converted within the last 10 years. The table below sets out the vessels owned by the Group as at the Latest Practicable Date.

Vessel type	Use	Number of Vessels	
Liftboats	The Liftboat is an offshore self-elevating platform-based vessel with manoeuvring capabilities, self-propulsion and supports oil well intervention activities (e.g. wireline and coiled tubing); offshore production platform infrastructure commissioning, maintenance, repair, upgrading and decommissioning; operational support of offshore platforms; and temporary housing for construction and service crews.	12 in fleet; two under construction	
Service Rigs	The Group's Service Rigs are mainly for drilling, accommodation, mobile offshore production and workover operations.	20 in fleet	
Offshore Logistics Vessels	<p>The Offshore Logistics Vessels provide transportation, logistics and maintenance support for offshore platforms.</p> <p>These vessels comprise flat top ballastable barges, self-ballastable barges, semi-submersible barges, heavy haul project cargo, tugs, landing craft transports, trans-ocean multi-purpose vessels, chemical product tankers and work maintenance vessels.</p>	45 in fleet	

## Operation Process

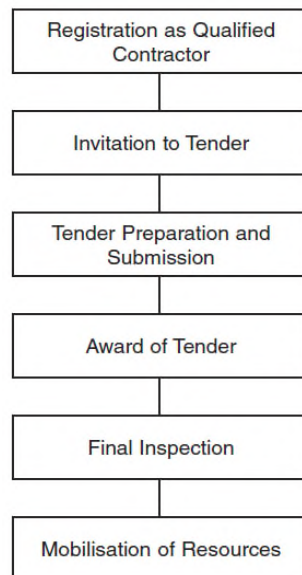
The Group conducts most of its business through Teras Offshore Pte Ltd (“**Teras Offshore**”), a wholly-owned subsidiary of the Issuer. A brief description of the Group’s operation process is set out below:

### *Registration as Qualified Contractor*

Prior to being invited to tender for contracts, Teras Offshore is required to be registered as a qualified contractor with the relevant oil and gas companies. The criteria for registration vary from customer to customer and depend in part on the requirements on the vessel. However, the common requirements would include ownership of certain vessels, experience of the contractor, the contractor’s financial strength and the health, safety and environment policies adopted by the contractor.

### *Invitation to Tender*

Upon registration as a qualified contractor, the oil and gas companies may, when they require vessels (which may be on either bareboat or time charter basis) and specific offshore support services, invite Teras Offshore to submit a proposal for the provision of vessels and specific offshore support services.



### *Tender Preparation and Submission*

A tender usually encompasses operational, technical and commercial bid proposals. The development of the bid proposal is conducted by the (a) commercial, (b) operation, (c) technical, and (d) health, safety, environment and quality assurance departments. The evaluation of the bid proposal is conducted by the finance department.

Upon receipt of the tender documents, the Chief Executive Officer, the Chief Operating Officer and the other key executives of the Group will undertake an evaluation of the tender to ascertain whether Teras Offshore or one of the other Issuer’s subsidiaries has the capability and/or capacity to make a bid.

The final bid proposal has to be approved by the Chief Executive Officer and the Chief Operating Officer before it is submitted.

### *Award of Tender*

Upon the tender being awarded, the Group will (a) allocate the resources required for the project accordingly, (b) select or recruit additional crew required for the project, and (c) carry out compliance with all legal and statutory requirements as may be required by the jurisdiction under which the tender relates.

### *Final Inspection*

Teras Offshore will conduct a final inspection to ensure that the proposed vessels comply with the technical specifications required by its customers. If necessary, the Group will perform the necessary modification works to the vessels as required by the customers. In such instances, the modification will be considered a marine service provided to the Group's customers. Teras Offshore's customers may carry out on-hire surveys to ensure that the vessels provided meet their requirements.

### *Mobilisation of Resources*

Upon completion of the on-hire surveys and requisite modifications, if any, Teras Offshore will be able to mobilise the required offshore support services to its customers. Generally, the vessel charter contract commences from the time the on-hire survey is completed or the vessel departs for the project location. The Group's vessel charter contracts are for varying periods of time and may extend up to five years.

### **Competition**

The Group believes that it faces less direct competition for Liftboat-specific charter tenders, and enjoys a first mover advantage in the use of Liftboats, in the Asia Pacific region.

The Group faces minimal direct competition as:

- (a) the operation of the Liftboats requires licences, certification and track record; and
- (b) the Group's Liftboats are specially designed and customised to work in the areas where they are deployed taking into consideration the environmental, cultural, operation and safety requirements.

The Group also believes that its Liftboats offer the Group competitive advantages in respect of non-Liftboat-specific charter tenders. In instances where potential customers are open to the use of conventional workboats, tugs and barges for servicing and intervention of oil wells, and for the commissioning, maintenance, repair and decommissioning of offshore production platform infrastructure the Group's Liftboats offer:

- (a) a stable work platform for a wide array of offshore service functions, including construction, work-over, drilling, well intervention. Such stability allows for the conduct of service functions during harsh weather conditions (e.g. monsoon season); and
- (b) a self-propulsion mechanism that allows independent mobilisation, eradicating mobilisation costs associated with a traditional Service Rig; and operating capability in water depths up to 360 feet.

The Group believes that these characteristics in turn represent a low cost, more productive, more efficient and safer alternative for a wide array of offshore service functions instead of deploying a combination of workboats, tugs and barges.

The Group faces competition in charter tenders for Service Rigs and Offshore Logistics Vessels. The competition is due to the relatively less customised nature of the Offshore Logistics Vessels and the consequent higher degree of substitutability by competitor vessels. However, the Group believes that such higher degree of substitutability is mitigated as the Group is an independent contractor and charterer and is not associated with any international oil and gas company. Accordingly, the Group does not have a conflict of interest when

tendering for any charter contracts called for tender by international oil and gas companies. The Group believes that the independent nature of the Group enables it to be perceived as a more attractive alternative to the international oil and gas companies as compared to a vessel charterer that is associated with a particular international oil and gas company.

### **Competitive Strengths**

The Group's competitive strengths are as follows:

- Diverse and state-of-the-art fleet offering;
- Operates in defensive segment within the offshore oil and gas industry;
- Established track record with geographically diversified business network;
- Diversification into offshore windfarm industry;
- Conversion capabilities;
- Technology;
- Extensive industry experience of both management and offshore support teams;
- Strong offshore marine logistics and support capabilities supported by a diverse and state-of-the-art fleet offering and in-house marine support expertise; and
- Competitive pricing and service quality.

#### *Diverse and state-of-the-art fleet offering*

The Group operates a diverse fleet of young and sophisticated vessels to cater to various requirements of customers, with the majority of the fleet being less than seven years old. Most of the Group's vessels are specially designed, built, powered and fitted with up-to-date technology and equipment to better meet the changing needs of its customers. As most of the Group's vessels are young, they are more reliable, require less repair and maintenance, are less prone to breakdown and are therefore more cost efficient than older vessels.

The Group's Liftboats are customised for the Group's areas of operations, further distinguishing the Group from competitors in the oil and gas offshore support industry. See "The Issuer – Fleet" and "The Issuer – Competition" for further details.

#### *Operates in defensive segment within the offshore oil and gas industry*

The Group's Liftboats are primarily deployed for the servicing and intervention of oil wells, commissioning, maintenance, repair and decommissioning of offshore production platform infrastructure as well as for accommodation support in shallow waters up to 360 feet. These activities are within the production and maintenance segment of the offshore oil and gas lifecycle. The Group believes that while the international oil majors and national oil companies have cut their operating expenditure budgets over the past few years, the intervention and service works required to maintain the productivity of the offshore production platforms cannot be deferred indefinitely.

#### *Established track record with geographically diversified business network*

The Group has an established track record of serving a diverse customer base, including national oil companies, multi-national oil majors and leading energy groups. Because the Group's operations are geographically



diversified, primarily across the Asia Pacific, Middle East, West Africa, North Sea and Central Americas regions, the Group has developed and maintained good business networks and strong customer relationships.

The Group intends to continue to focus on developing and maintaining the business networks and customer relationships that it has built thus far. These networks and relationships have enabled the Group to retain its existing customers as well as to secure new charters, despite the tough market conditions. For instance, the Group recently secured contracts for two of its Liftboats, which were deployed to the Middle East in the third quarter of 2017 with a large national petroleum and natural gas company.

#### *Diversification into offshore windfarm industry*

The Group has successfully diversified into offshore wind industry to pursue new streams of revenue. The Group has deployed a Service Rig to support the accommodation requirements needed for the construction of offshore windfarms for one of the Northern Europe's leading energy groups. The Group has five of such Service Rigs that are primarily designed to meet the accommodation needs of its clients.

The Group has also entered into strategic cooperation agreements with state owned enterprises in China to support the installation of offshore windfarms. Two of the Group's Liftboats will be used to support the offshore windfarm installation projects in China. One of the Liftboats has already started work and another Liftboat is expected to start work within the next six months.

#### *Conversion capabilities*

The Group has the capability to improve utilisation of Service Rigs which are underutilised due to over-capacity of drilling rigs in the market through conversion to accommodation rigs or mobile offshore production units. The Group has successfully converted five Service Rigs into accommodation rigs and one Service Rig into a mobile offshore production unit. The Group plans to deploy the accommodation rigs in Europe, China as well as Southeast Asia. The mobile offshore production unit is currently deployed in Southeast Asia.

#### *Technology*

The Group is the only Liftboat operator with state-of-the-art in-house simulator. It facilitates project planning and crew training. The simulator helps to reduce the training costs of the crew and provides a safe environment for the captain and crew to be trained in vessel operation. In addition, the simulator provides the Group's clients with confidence in the competencies of the operating staff and crew which is a key factor taken into consideration in the award of tenders.

#### *Extensive industry experience of both management and offshore support teams*

The Group has a team of experienced and competent management personnel who are familiar with its business and who have in-depth knowledge of the offshore support service industry. The operations of the Group are led by Lee Kon Meng, Peter, Chief Operating Officer, who has over 20 years of experience in the maritime industry, including as a marine consultant to various international oil companies for a number of oil and gas projects.

The Group has also developed a team of experienced and well-trained seafarers and shore-based personnel who are able to provide the high level of expertise required for the operation of vessels. The Group's workforce is adept in meeting the demanding conditions of offshore explorations. The Group continues to revise its training and procedures to maintain full compliance with the most current safety and quality standards to which the Group's workforce is committed to achieving.

*Strong offshore marine logistics and support capabilities supported by diverse and state-of-the-art fleet offering and in-house marine support expertise*

Through the strategy of vertical integration, the Group is able to offer a wide range of marine services to its customers, which include the provision of offshore oil and gas support services and marine supplies. With these services, the Group is in a better position to offer a one-stop shop service offering and serve the diverse needs of its customer base, as compared to other companies which provide services to serve one stage of the oilfield life-cycle.

The Group's Liftboats are equipped with modern and advanced technology and capabilities. This increases their mobility and deployment potential as they can be deployed in many parts of the world including areas where the environment is harsh. In addition, the Group believes that it is one of the few Liftboat operators in the world with an in-house simulator to facilitate project planning and crew training.

The Group has developed a team of experienced and well-trained seafarers and experienced shore based personnel who have the requisite high level of expertise for the operation of offshore oil and gas support vessels. Its workforce is adept in meeting the demanding conditions of offshore oil and gas industries.

*Competitive pricing and service quality*

The Group's vertical integration enables it to reduce its reliance on third party contractors, enabling the Group to better control the pricing of its products as well as the timing, scheduling and costs of repairs for the maintenance of its vessels. The Group is committed to conducting its business affairs in a measurable and consistent manner to achieve the highest quality of operation and service. The Group has endorsed an unabridged and comprehensive Health (OSHAS 18001:2007), Safety (ISM Code), Quality (ISO 9001:2008) and Environmental (ISO 14001:2004) Management System (the "**HSQE Management System**") that explicitly identifies the procedures and measures required to achieve the aforementioned objectives. These certifications recognise the Group's commitment and efforts in maintaining a quality management system.

### **Business Outlook, Strategy and Future Plans**

*In the discussions below, to illustrate the contributions to cash flows the Group's vessels could generate, the Group has made certain calculations based on actual contracted rates (for existing deployments) and indicative charter rates discussed during negotiations (for future deployments) for such vessels and deducted certain estimated operating, holding and corporate overhead costs.*

*The results of such calculations (the "contribution") must not be taken to be anticipated or forecast cash flows of the Group recorded in accordance with any applicable accounting standards. Actual cash flows of the Group recorded in accordance with applicable accounting standards will necessarily differ from such calculated figures of "contribution". **Therefore, the reader must not place any undue reliance on the calculations and contribution figures shown in such illustrations below.***

#### **Business Outlook**

The offshore marine logistics and support services industry is directly affected by the level of activities in the offshore oil and gas industry, which in turn is largely dependent on the demand and supply for such natural resources, crude oil production levels, global political and economic uncertainties, advances in exploration and development technology and worldwide demand for natural resources. Brent oil prices have decreased from approximately US\$110 per barrel in June 2014 to below US\$30 per barrel in January 2016. Although oil prices have recovered modestly since, it has been hovering predominantly in the US\$50 to US\$55 per barrel range. The low oil prices have caused the oil majors to cut both capital and operating expenditure.

The Group has been affected by the above and its charter rates have decreased significantly as compared to the years before 2015. Furthermore, collection of receivables has slowed and creditors are reluctant to extend credit terms to the Group. However, the Group's principal businesses are in the production and maintenance segments, which generate recurring revenue as compared to the project-driven nature of the exploration and developmental phase. The Group expects such production and maintenance activities to increase in the coming years as such activities cannot be deferred indefinitely without having a material adverse effect. Decreased inspection frequency generally leads to plant failure and unplanned shutdowns whilst delays in maintenance activity increase risks and affect production efficiency. Hence, the Group expects its results of operations to improve if it can provide the services to meet such increased demand.

### ***Strategy and Future Plans***

In 1H2017, the Group generated approximately US\$79.8 million of operating cash flows before changes in working capital. However, the challenging market conditions have caused collections from customers to be slow and suppliers to tighten credit terms. After taking into account such working capital changes of US\$54.8 million and income tax payments of US\$1.3 million, the net operating cash flows for the six months ended 30 June 2017 amounted to only US\$23.7 million.

The Group's financial liabilities, notes payable and perpetual securities (collectively "indebtedness") as at 30 June 2017 amounted to approximately US\$1,567 million, approximately 33 times the annualised operating cash flows of approximately US\$47 million. In contrast, the ratio of the total indebtedness to operating cash flows to indebtedness in prior years ranged from 6.9 times to 11 times, as summarised in the table below.

(US\$ in millions)	FY2012	FY2013	FY2014	FY2015	FY2016	1H FY2017
<b>Financial Liabilities</b>	<b>472</b>	<b>875</b>	<b>1,181</b>	<b>1,226</b>	<b>1,119</b>	<b>1,059</b>
<b>Notes Payable</b>	<b>80</b>	<b>211</b>	<b>316</b>	<b>379</b>	<b>372</b>	<b>392</b>
<b>Perpetual Securities</b>	<b>98</b>	<b>98</b>	<b>212</b>	<b>116</b>	<b>116</b>	<b>116</b>
<b>Total indebtedness</b>	<b>650</b>	<b>1,184</b>	<b>1,709</b>	<b>1,721</b>	<b>1,607</b>	<b>1,567</b>
<b>Net operating cash flows</b>	<b>94</b>	<b>155</b>	<b>214</b>	<b>204</b>	<b>146</b>	<b>47*</b>
<b>Total indebtedness / net operating cash flows</b>	<b>6.9</b>	<b>7.6</b>	<b>8.0</b>	<b>8.4</b>	<b>11.0</b>	<b>33.3</b>

\* Annualised operating cash flows of about US\$47 million based on 1H2017 unaudited financial statements.

Proceeds from the indebtedness set out above were substantially utilised to fund capital expenditure of new vessels and modification of vessels based on customers' requirements for deployment projects.

The Group's indebtedness would increase by approximately US\$213 million from the new vessel loans for the two new Liftboats and the new working capital line to be extended by the Group's secured lenders.

The Company also has corporate guarantees for loans undertaken by joint venture companies, amounting to approximately US\$281 million.

A summary of the above indebtedness is as follows:

	(US\$ in millions)
<b>Amounts owing to lenders as at 30 June 2017</b>	<b>1,059</b>
<b>Notes Payable / Perpetual Securities</b>	<b>508</b>
	<b>1,567</b>
<b>Amounts owing to lenders by joint venture companies with corporate guarantees from the Group</b>	<b>281</b>
<b>Additional working capital line / new vessel loans</b>	<b>213</b>
<b>Total indebtedness</b>	<b>2,061</b>

The Group believes that based on its current operating cash flows, the level of its indebtedness is not sustainable. Its strategies and future plans will focus on decreasing its indebtedness to a more sustainable level, including by:

- (a) increasing net operating cash flows;
- (b) reducing its liabilities through the expected conversion of convertible bonds to be issued as part of the Group's refinancing;
- (c) exercise of warrants by warrant holders; and
- (d) attracting one or more strategic investors.

*Increasing net operating cash flows*

The table below provides an overview of the deployment of vessels as at the Latest Practicable Date.

Deployment of Vessels	Liftboats	Service Rigs	Offshore Logistics Vessels	Total
<b>Deployed Vessels</b>	<b>9</b>	<b>2</b>	<b>8</b>	<b>19</b>
<b>To be Deployed Vessels (including two Liftboats under construction)</b>	<b>5</b>	<b>6</b>	<b>2</b>	<b>13</b>
<b>Deployed Vessels, in arrears</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>6</b>
<b>Undeployed Vessels</b>	<b>0</b>	<b>6</b>	<b>35</b>	<b>41</b>
<b>Total</b>	<b>14</b>	<b>20</b>	<b>45</b>	<b>79</b>

The key elements of the Group's strategy to increase net operating cash flows are to:

- increase deployment of Liftboats;
- improve charter rates of Liftboats;
- increase utilisation rates of Service Rigs and Offshore Logistics Vessels; and
- minimise capital expenditure.

#### Increase deployment of Liftboats

The Group is one of the largest operators of Liftboats in Asia Pacific, and operates what it believes to be one of the most advanced fleet of Liftboats in the world. Because there can be significant cost savings in deploying Liftboats, there is demand for Liftboats services in Asia Pacific, Middle East and West Africa for production related activities in the offshore oil and gas industry, as well as strong potential to support the growing offshore windfarm industry.

The Group believes that its Liftboats are suitable for deployment in such regions and expects that the demand for the its Liftboats will sustain in the near future due to (a) global dependency on the use of fossil fuels as a source of energy, following rising safety concerns in connection with nuclear energy use; and (b) an increase in the need to repair, upgrade and maintain aging oil and gas platforms in the Asia Pacific, Middle East and West Africa regions as such platforms age.

Other than offshore oil and gas service offerings, the Group is also targeting offshore windfarm installation projects in China and the Southern North Sea to deploy accommodation rigs to support the offshore personnel working on such installation projects.

As at the Latest Practicable Date, nine of the Group's 14 Liftboats are deployed (compared with five as at 30 June 2017). The remaining five Liftboats are expected to be deployed in the next 12 months. Based on the disclaimer, calculations and the assumptions as mentioned in the introduction to this section entitled "Business Outlook, Strategy and Future Plans", the net contribution of the Group's Liftboats is US\$65 million per year on average for the next six years beginning 2018 for the nine Liftboats currently deployed and US\$32 million per year for the next six years beginning 2018 for the five Liftboats when they are deployed. In total, the Liftboats are expected to have a net contribution of approximately US\$97 million per year for the next six years beginning 2018 when all 14 Liftboats are fully deployed.

#### Improving charter rates of Liftboats

The Group believes that it has established a track record in managing major marine logistics projects in waters subject to a stringent environmental regulatory regime. Such a track record distinguishes the Group from potential competitors who either do not have such similar track records or who have breached applicable environmental regulations in the past.

Prevailing market charter rates have decreased by more than US\$50,000 from peak rates prior to 2015. The Group intends to leverage on its established track record and technical expertise in the Liftboat division to negotiate for higher charter rates for its Liftboats despite difficult market conditions.

The table below shows how the gross contribution of Liftboats can change if charter rates decrease or increase by the amounts indicated.

Change in Gross Contribution	(US\$)				
	5,000	7,500	10,000	12,500	15,000
Per Liftboat per year	1,551,250	2,326,875	3,102,500	3,878,125	4,653,750
14 Liftboats per year	21,717,500	32,576,250	43,435,000	54,293,750	65,152,500
Total for 14 Liftboats in 6 years beginning 2018	130,305,000	195,457,500	260,610,000	325,762,500	390,915,000

Based on the above, the gross contribution is expected to increase by approximately US\$261 million if the charter rates for the Group's Liftboats increase by US\$10,000 per day per Liftboat.

#### Increase utilisation rates of Service Rigs and Offshore Logistics Vessels

The burn rates (holding costs) of Service Rigs and Offshore Logistics Vessels are high, at approximately US\$2.8 million and US\$1.7 million per month, respectively. Deployment of the vessels is expected to reduce the burn rates and improve the cash flows of the Group. The Group is working to increase the utilisation rates of its Service Rigs which should reduce the burn rates.

As at the Latest Practicable Date, and based on the disclaimer, calculations and the business plans as mentioned in the introduction to this section entitled "Business Outlook, Strategy and Future Plans":

- (a) two Service Rigs are deployed and have a net contribution of US\$25 million per year for the next six years beginning 2018 based on the contracted rates;
- (b) six Service Rigs are deployed with payment of charter rates in arrears, of which the Group has agreed and signed settlement terms for three of such vessels. The Group has also received proposed settlement terms for one of the vessels. These six vessels have a total net contribution of an average of US\$22 million per year for the next six years beginning 2018 based on agreed or indicative settlement terms;
- (c) six Service Rigs are expected to be deployed within 24 months and are expected to have a net contribution of US\$33 million per year for the next six years beginning 2018 when they are deployed, based on the Group's estimated charter rates and timing for deployment; and
- (d) six Service Rigs are expected to remain undeployed with a holding cost of US\$7 million per year.

In total, the Service Rigs are expected to have a net contribution of approximately US\$73 million per year based on the above.

In addition, based on the estimated deployment of the Group's Offshore Logistics Vessels, the net contribution for such vessels is approximately US\$3.7 million per year. The Group is also exploring various options to reorganise its Offshore Logistics Vessels division, which owns mainly towing tugs and barges, to enhance the utilisation rate of such vessels in a very competitive space. Any such reorganisation, if conducted successfully, may also increase future net contributions.

### Minimise capital expenditure

Historically, the Group's capital expenditure has typically been incurred to build/acquire vessels as well as to upgrade, modify and mobilise vessels for projects. Based on the current capital structure and market environment, the Group is negotiating with potential business partners to share and/or fund the capital expenditure requirements to mobilise, retrofit or upgrade its existing fleet to meet the requirements of customers, which (if agreement is reached) should help to preserve cash flows for the Group.

#### *Illustration of Impact of Strategies*

Based on the disclaimer, calculations, existing cost structure and current market charter rates and timings for deployment as mentioned in the introduction to this section entitled "Business Outlook, Strategy and Future Plans", the table below provides an illustration of the Group's net contribution over six years if it is able to successfully implement the strategies discussed above.

(US\$ in millions)	Gross Contribution from Deployed Vessels	Gross Contribution from Vessels to be Deployed	Burn Rate*	Total Net Contribution
<b>Liftboats</b>	<b>489</b>	<b>245</b>	<b>(153)</b>	<b>581</b>
<b>Service Rigs</b>	<b>368</b>	<b>270</b>	<b>(200)</b>	<b>438</b>
<b>Offshore Logistics Vessels</b>	<b>142</b>	<b>-</b>	<b>(120)</b>	<b>22</b>
<b>Total</b>	<b>999</b>	<b>515</b>	<b>(473)</b>	<b>1,041</b>
<b>Corporate Overheads</b>				<b>(108)</b>
<b>Net contribution before capital expenditure and interest / principal repayments</b>				<b>933</b>
<b>Interest repayments</b>				<b>(137)</b>
<b>Net contribution before principal repayments</b>				<b>796</b>

\* Refers to the fixed costs of maintaining the vessels if they are not deployed e.g. costs of maintaining a minimal crew, bunkering costs, port dues, insurance costs, etc.

The net contribution before principal repayments of US\$796 million over six years should reduce the total indebtedness from US\$2,061 million to US\$1,265 million. The ratio of total indebtedness to operating cash flows may decrease from 33.3 times to a more sustainable level of approximately 8.1 times (based on the average of the six-year illustrative net contribution of US\$156 million or US\$933 million over six years).

If charter rates for the Group's Liftboats increase by US\$10,000 per day per vessel, the increase in gross contribution is expected to be approximately US\$261 million, bringing the net contribution to approximately US\$1,057 million, total indebtedness to US\$1,004 million and the ratio of indebtedness to operating cash flows to five times.

The contributions may also increase if the Group is able to dispose of the vessels which have a low likelihood of being used, thereby generating sales proceeds and reducing the burn rates of the vessels.

*Reducing its liabilities through the expected conversion of convertible bonds to be issued as part of the Group's refinancing*

The conversion of the bonds into Shares will result in a decrease in the Group's liabilities and contribute to efforts to decrease the Group's indebtedness to a more sustainable level. The table below illustrates the impact of various conversion scenarios on the Group's indebtedness and debt-to-equity ratio, and assumes that the total amount of Refinancing Series B Convertible Bonds and the Series 008 Securities outstanding immediately upon the completion of the Refinancing is S\$575 million (or US\$423 million, if converted at a rate of US\$1.00 = S\$1.36).

	Principal Amount of Convertible Bonds and Perpetual Securities Converted					
	0%	20%	40%	60%	80%	100%
	(US\$ in millions)					
<b>Total indebtedness and perpetual securities before conversion</b>	<b>2,061</b>	<b>2,061</b>	<b>2,061</b>	<b>2,061</b>	<b>2,061</b>	<b>2,061</b>
<b>Principal amount converted</b>	<b>-</b>	<b>(85)</b>	<b>(169)</b>	<b>(254)</b>	<b>(338)</b>	<b>(423)</b>
<b>Total indebtedness and perpetual securities after conversion</b>	<b>2,061</b>	<b>1,976</b>	<b>1,892</b>	<b>1,807</b>	<b>1,723</b>	<b>1,638</b>
<b>Shareholders' equity as at 30 June 2017</b>	<b>1,301</b>	<b>1,386</b>	<b>1,470</b>	<b>1,555</b>	<b>1,639</b>	<b>1,724</b>
<b>Debt-to-equity ratio</b>	<b>1.58</b>	<b>1.43</b>	<b>1.29</b>	<b>1.16</b>	<b>1.05</b>	<b>0.95</b>

A conversion of 60% of the aggregate principal amount of the Refinancing Series B Convertible Bonds and the Series 008 Securities will reduce the Group's indebtedness and perpetual securities obligations by approximately US\$254 million and reduce the debt-to-equity ratio from 1.58 to 1.16.

The table below illustrates the impact of various conversion scenarios on the Group's ratio of debt to net contribution, based on the total indebtedness of the Group after the average of the six-year illustrative contribution illustrated in the table in "Minimise Capital Expenditure" above, and assumes that the total amount of Refinancing Series B Convertible Bonds and the Series 008 Securities outstanding immediately upon the completion of the Refinancing is S\$575 million (or US\$423 million, if converted at a rate of US\$1.00 = S\$1.36).



Principal Amount of Convertible Bonds and Perpetual Securities Converted		After 6 years	
		Based on current market charter rates	If Liftboat charter rates increase by US\$10,000 per day per vessel
		(US\$ in millions)	(US\$ in millions)
0%	<i>Principal amount converted</i>	-	-
	<b>Total liabilities after conversion</b>	<b>1,265</b>	<b>1,004</b>
	<i>Ratio of debt to average annual net contribution</i>	<b>8.1</b>	<b>5.0</b>
20%	<i>Principal amount converted</i>	(85)	(85)
	<b>Total liabilities after conversion</b>	<b>1,180</b>	<b>919</b>
	<i>Ratio of debt to average annual net contribution</i>	<b>7.6</b>	<b>4.6</b>
40%	<i>Principal amount converted</i>	(169)	(169)
	<b>Total liabilities after conversion</b>	<b>1,096</b>	<b>835</b>
	<i>Ratio of debt to average annual net contribution</i>	<b>7.0</b>	<b>4.2</b>
60%	<i>Principal amount converted</i>	(254)	(254)
	<b>Total liabilities after conversion</b>	<b>1,011</b>	<b>750</b>
	<i>Ratio of debt to average annual net contribution</i>	<b>6.5</b>	<b>3.8</b>
80%	<i>Principal amount converted</i>	(338)	(338)
	<b>Total liabilities after conversion</b>	<b>927</b>	<b>666</b>
	<i>Ratio of debt to average annual net contribution</i>	<b>5.9</b>	<b>3.3</b>
100%	<i>Principal amount converted</i>	(423)	(423)
	<b>Total liabilities after conversion</b>	<b>842</b>	<b>581</b>
	<i>Ratio of debt to average annual net contribution</i>	<b>5.4</b>	<b>2.9</b>

A conversion of 60% of the aggregate principal amount of the Refinancing Series B Convertible Bonds and the Series 008 Securities will reduce the Group's ratio of debt to net contribution to 6.5 times after six years.

#### *Exercise of warrants by warrant holders*

As at the Latest Practicable Date, there are approximately 355 million Warrants (2016) outstanding with an exercise price of S\$0.45. In addition, as part of the Refinancing, the Issuer proposes to issue (a) three Warrants (2018-Shareholders) for every five Shares held by its existing Shareholders with an exercise price of S\$0.2763 per Warrant (2018-Shareholders), and (b) a number of Warrants (2018-Securityholders) to holders of the Refinancing Series B Convertible Bonds and the proposed amended Series 008 Securities who convert their holdings early, with an exercise price of S\$0.2763 per Warrant (2018-Securityholders).

The exercise of such warrants by holders of warrants issued by the Issuer will provide the Group with a source of liquidity and increase its cash holdings. The table below illustrates the gross proceeds of the exercise of the Warrants (2016), Warrants (2018-Shareholders) and the Warrants (2018-Securityholders) in various exercise scenarios.

	Exercise Price (S\$)	Gross Proceeds (S\$ in millions)				
		20% of Warrants Exercised	40% of Warrants Exercised	60% of Warrants Exercised	80% of Warrants Exercised	100% of Warrants Exercised
<b>Warrants (2016)</b>	<b>0.4500</b>	<b>32</b>	<b>64</b>	<b>96</b>	<b>128</b>	<b>160</b>
<b>Warrants (2018-Shareholders)</b>	<b>0.2763</b>	<b>69</b>	<b>137</b>	<b>206</b>	<b>275</b>	<b>344</b>
<b>Warrants (2018-Securityholders) *</b>	<b>0.2763</b>	<b>32</b>	<b>64</b>	<b>95</b>	<b>127</b>	<b>159</b>

\* Assuming the maximum number of Warrants are issued i.e. all of the Securityholders choose Refinancing Series B Convertible Bonds or the amended Series 008 Securities, and convert within 60 days from the issue date or effective date, respectively.

If all of the Warrants (2016), Warrants (2018-Shareholders) and Warrants (2018-Securityholders) are exercised, the gross proceeds will amount to S\$160 million, S\$344 million and S\$159 million, respectively.

#### *Attracting one or more strategic investors*

The Group is in discussions with potential investors who have shown interest in investing in the Group. In particular, the Group has targeted potential strategic investors who have the ability to assist the Group in expanding its business. The proceeds of any new investments will boost the capital base of the Group and are expected to be used for working capital, upgrading, modification and mobilisation of assets for deployment and expanding the Group's business. Any such investment is likely to increase the confidence of holders and other potential investors of the Issuer in the Group and may affect the price of the Issuer's securities.

#### **Impact of Future Plans on Securityholders**

If the Group is able to implement the plans set out above successfully, the contributions from operations after interest payments (US\$796 million or more) and the conversion of the securities will reduce the level of indebtedness accordingly.

With a more sustainable level of debt, the Company will be more attractive to equity investors. This should be reflected in the market price of the Shares and holders who choose Refinancing Series B Convertible Bonds or who continue to hold Series 008 Securities and exercise their Conversion Rights may benefit from a potential increase in the price of the Shares. Holders who choose Refinancing Series B Convertible Bonds or who continue to hold Series 008 Securities but do not exercise their Conversion Rights, may also benefit indirectly from any increase in the market price of the Shares because the market price of such securities should reflect the underlying price of the Shares.

The Group will also be in the position to undertake further equity fund-raising and / or request for further financing. The redemption of the outstanding Series of Refinancing Bonds at the respective maturity dates, if they have not been converted yet, could be met from the funds available then (including the proceeds from the exercise of the warrants (up to a total of S\$663 million).

## **Health, Safety, Environment and Quality**

The Group is committed to fulfilling its responsibilities towards the Group's shareholders and employees, the community at large and the environment by conducting its business affairs in a measurable and consistent manner to achieve the highest quality of operation and service whilst a strong focus is continuously placed on offshore and onshore safety, safe working practices and the care and awareness to avoid any harm to the Group's employees, contractors and customers and the environment.

The Group's endorsement of the HSQE Management System is a strong demonstration of its commitment to fulfilling the aforementioned responsibilities towards its stakeholders. The Group also tailors its procedures to meet its customers' safety standards and procedures. The Group constantly reviews the HSQE Management System and revises it to comply with changes in rules and regulations. The process involves documented validation procedures, continual monitoring, inspection and measurement.

## **Employees and Contract Workers**

As at the Latest Practicable Date, the Group deploys approximately 105 employees in offices across the Group's operational geographic coverage. The employees of the Group are not unionised. The Group believes that it has established good working relationships with its employees. There have not been any major strikes or work stoppages by the employees of the Group. The Group is regulated by the relevant government employment regulations.

## **Risk Management**

### *Overview*

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group's principal financial instruments comprise cash and cash equivalents and bank loans. The main purpose of these financial instruments is to finance the Group's operations. The other financial instruments such as trade and other payables are directly from its operations.

### *Credit risk*

The Group's maximum exposure to credit risk are carrying amounts of amounts due from joint ventures, other assets (including advances to trade and/or non-trade suppliers, deposits to suppliers, finance lease receivable, prepayments, non-trade amounts due from joint ventures, interest receivables and other receivables), trade and other receivables, and cash and cash equivalents.

The Group has a credit policy in place which establishes credit limits for customers and monitors their balances on an ongoing basis. Therefore, the Group does not expect to incur material credit losses. Cash and cash equivalents are placed with regulated financial institutions. Hence, minimal credit risk exists with respect to these assets.

### *Financial guarantees*

The credit risk represents the loss that would be recognised upon a default by the parties to which the guarantees were given on behalf of. To mitigate these risks, management continually monitors the risks and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of. Guarantees are only given to its subsidiaries and joint ventures.

### *Liquidity risk*

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

### *Market risk*

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The Group's objective for market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

### *Interest rate risk*

The Group's interest rate exposure relates primarily to its long term debt obligations as they are subject to fluctuating interest rates that reset according to market rates change. Surplus funds are placed in fixed deposits accounts with regulated banks which interest rates vary according to market rates.

### *Insurance policy*

The Group's fleet of vessels are insured for all risks through its hull and machinery, war risks as well as protection and indemnity insurances that are customary in the marine industry. The Group believes it has adequate insurance coverage for the purpose of its business operations. The Group does not have key man insurance as the Directors are of the view that such insurance is not necessary in the Group's industry.

## **Litigation**

### ***Cyprus Proceedings***

On 22 June 2015, Amstel Exploitatie BV (the “**Plaintiff**”) commenced proceedings in the Cyprus District Court of Limassol against nine defendants (the “**Nine Defendants**”), one of whom is Teras Conquest 3 Pte Ltd (“**TC3**”), a subsidiary of the Issuer. The action was a form of a derivative action on behalf of Treatmil Holdings Limited (“**Treatmil**”) and Lifex Holdings Limited (“**Lifex**”), who allegedly suffered losses due to the alleged acts or wrongdoings of the Nine Defendants. Treatmil was the sole shareholder of Lifex until the enforcement of a share pledge, as described below.

The proceedings relate to the charters of the “Atlantic Labrador”, “Atlantic Amsterdam” and “Atlantic Esbjerg” (the “**AMS Vessels**”) to a wholly-owned subsidiary of Lifex, Atlantic Marine Services BV (“**AMS**”), who subsequently on-chartered the vessels to its client, Maersk. The AMS Vessels are owned by Atlantic Labrador Pte Ltd, Atlantic Amsterdam Pte Ltd and Atlantic Esbjerg Pte Ltd, respectively (which are subsidiaries of TC3 or the Issuer, as the case may be).

The Plaintiff is seeking a reversal of the enforcement of the share pledge (in order for the shares in Lifex to be transferred back to Treatmil) and damages arising from, amongst other things, the Nine Defendants’ alleged fraudulent conduct, conspiracy to defraud, deceit, false representation and/or breach of duties that caused losses to Treatmil and Lifex, as follows:

- (a) not paying AMS’ share of the charter proceeds that were paid by Maersk directly into the bank accounts of the respective owners of the AMS Vessels;
- (b) suggesting to Maersk to terminate its charter agreement with AMS, thereby causing damage to Lifex and, in turn, Treatmil;
- (c) withdrawing the proceedings taken by AMS against Atlantic Labrador Pte Ltd, Atlantic Amsterdam Pte Ltd and Atlantic Esbjerg Pte Ltd; and
- (d) enforcing the share pledge that resulted in a transfer of shares in Lifex held by Treatmil to TC3 and subsequently to Fetch Marine AS.

TC3’s view is that the payment flow of the charter proceeds was part of a contractual security arrangement in favour of the secured lenders who financed the acquisition of the AMS Vessels. The Plaintiff may also face significant legal challenges to hold TC3 liable as the Plaintiff is required to justify piercing multiple layers of the corporate veil and obtaining speculative, consequential damages arising out of causes of action that legally belongs to AMS.

For the reasons set out above, the Group believes the proceedings are spurious and speculative and intends to vigorously defend the proceedings. TC3 has filed an application for stay of proceedings and a hearing relating to such application is pending. The Group does not believe that the proceedings will cause any material disruptions to its operations and business.

### ***Litigation Regarding Series 009 Securities***

On 16 October 2017, the Issuer was served with an originating summons issued by the High Court of the Republic of Singapore (the “**Originating Summons**”), taken out by a holder of the Series 009 Securities against the Company. The Originating Summons seeks a court declaration the Shares have “ceased to be traded on the SGX-ST within the meaning of Condition 6(i) of the terms and conditions of the Series 009 Securities, as added by Clause 5 of the Pricing Supplement for the Series 009 Securities” pursuant to the Issuer’s request for the Shares to be suspended from trading as announced by the Issuer in an announcement dated 14 August 2017.

The Issuer is of the view that the Shares have not ceased to be listed or traded, and that the Shares have only been suspended from trading, as requested by the Issuer and announced in the Issuer's announcement dated 14 August 2017. Consequently, Condition 6(i) of the Series 009 Securities has not been triggered and accordingly, the right to require the Issuer to redeem the Notes pursuant to Condition 6(i) of the Series 009 Securities has not arisen. The Issuer is seeking legal advice in respect of the Originating Summons, and intends to vigorously defend such proceedings.

### ***Other Litigation***

The Group may, from time to time, be involved in legal proceedings concerning matters that arise in its day-to-day business operations. For example, the Group outsources the construction of its new vessels to various shipyards. Before taking delivery of a new vessel, the Group will inspect and identify defects or technical issues with the new vessel. The Group will then highlight these defects or technical issues to the shipyard for the purpose of rectification or variation by the shipyard. However, disputes may arise with a shipyard in relation to the costs of such rectification or variation. Therefore, the Group may from time to time be exposed to disputes or litigation in relation to rectification and variation orders for new built vessels with the shipyards.

In addition, given the challenging business environment the Group is experiencing, the Group faces challenges in obtaining favourable credit terms from its trade suppliers and vendors. The Group's may, from time to time, face claims by such trade suppliers and vendors who refuse to extend credit terms or instalment plans to the Group. In such event, a dispute or claim may arise between the Group and such trade supplier or vendor. The Group has one potential material claim amounting to US\$7,650,000.

However, other than as described above, the Group is not engaged in any actual, pending or, to the Group's knowledge, threatened material litigation, claims or arbitration either as plaintiff or defendant, which would have a material effect on its business, financial condition, results of operations and prospects.

## **Board of Directors And Key Executives**

The Directors and key executives of the Issuer as of the Latest Practicable Date are described below. The Issuer may in future reposition one or more individuals to focus on the business and operations of the Group.

### ***Board of Directors***

#### **Dr Wang Kai Yuen**

*Independent Non-Executive Chairman*

Dr Wang Kai Yuen was appointed the Independent Non-Executive Chairman on 5 January 2016. He has been an Independent Non-Executive Director since 28 July 2000 and was last re-elected on 27 April 2016. Dr Wang sits on the Board of COSCO Corporation (Singapore) Limited, ComfortDelGro Corporation Limited, China Aviation Oil (Singapore) Corporation Ltd, HLH Group Limited and Emas Offshore Limited, companies listed on the SGX-ST. He previously served as independent director of Superbowl Holdings Ltd, Matex International Limited and A-Sonic Aerospace Limited. Dr Wang retired from Fuji Xerox Singapore Software Centre in December 2009 as the Centre Manager. Dr Wang served as a Member of Parliament for the Bukit Timah Constituency from December 1984 till April 2006. He was the Chairman of Feedback unit from 2002 till his retirement from politics. Dr Wang graduated from the National University of Singapore with a Bachelor in Engineering (First Class Honours in Electrical and Electronics). He also holds a Master of Science in Industrial Engineering, a Master of Science in Electrical Engineering and a PhD in Engineering from Stanford University. He received a Friend of Labour Award in 1988 for his contributions to the Singapore labour movement.

#### **Mr Chew Thiam Keng**

*Chief Executive Officer and Executive Director*

Mr Chew Thiam Keng was appointed an Executive Director on 1 March 2007, and was appointed as the Chief Executive Officer on 1 June in the same year. He was last re-elected as a Director on 27 April 2017. Mr Chew is responsible for the Group's operations, strategic planning, corporate management and business development. Before joining the Group, Mr Chew was the Managing Director/CEO of KS Energy Services Limited for about 5 years and was an Executive Director of Kian Ann Engineering Ltd. between 1996 and November 2001. Before that, Mr Chew was with the Development Bank of Singapore Limited for nine years working in the areas of banking such as corporate finance and retail banking. Mr Chew holds a Master Degree in Business Administration from the University of Hull and a Bachelor Degree (Honours) in Mechanical Engineering from the National University of Singapore. Mr Chew is currently a non-executive and/or independent director of Charisma Energy Services Limited and Pharmesis International Limited, companies listed on the SGX-ST. He previously served as independent director of Multi-Chem Limited.

#### **Mr Lim Thean Ee**

*Independent Non-Executive Director*

Mr Lim Thean Ee is an Independent Non-Executive Director appointed on 28 July 2000 and was last re-elected on 27 April 2017. He has been appointed the Chairman of the Remuneration Committee with effect from 18 July 2008 and is a member of both the Audit and Nominating Committees. Mr Lim participates actively in community work. He is Chairman of Telok Blangah Citizens' Consultative Committee and Chairman of CCC's Community Development & Welfare Fund Committee. In addition, he is also the Chairman of Depot Estate Businesses Association. In recognition of his contribution to the community, Mr Lim was conferred both the Public Service Medal and the Public Service Star Medal in 1998 and 2012 respectively. He currently serves as the Managing Director of Coastal Navigation Pte Ltd and has more than 30 years of experience in shipbuilding and ship repairing industry. He is an Associate Member of Society of Naval Architects and Marine Engineers, USA since year 1974. Mr Lim is currently an independent director of Miyoshi Limited, a company listed on the SGX-ST.

**Mr Tan Woon Hum***Independent Non-Executive Director*

Mr Tan Woon Hum is an Independent Non-Executive Director appointed on 21 March 2007 and was last re-elected on 22 April 2015. He has been appointed the Chairman of the Audit Committee with effect from 5 January 2016 and is a member of both the Nominating and Remuneration Committees. Mr Tan is currently a partner of Shook Lin & Bok LLP, a Singapore law firm and has been with the firm since December 2003. He graduated from the National University of Singapore with a LLB (Honours) Degree in 1995 and was admitted as an Advocate and Solicitor of the Supreme Court of Singapore in 1996. Mr Tan obtained his MBA (Finance) from the University of Leicester in 2000. He has been in private legal practice since 1996 and specialises in trust, asset and wealth management. He advises on the establishment of traditional and alternative funds including related licences and exemptions for fund management companies, as well as the establishment and listing of REITS. Mr Tan is an independent non-executive director of AP Oil International Limited, a company listed on the SGX-ST. He is also an independent non-executive director of YTL Starhill Global REIT Management Limited, the manager of Starhill Global REIT, a Singapore-based real estate investment trust listed on the SGX-ST. He previously served as independent director of Yong Xin International Holdings Limited.

**Mr Yee Chia Hsing***Independent Non-Executive Director*

Mr Yee Chia Hsing is an Independent Non-Executive Director appointed on 5 January 2016 and was last re-elected on 27 April 2016. He has been appointed the Chairman of the Nominating Committee with effect from 5 January 2016 and is a member of both the Audit and Remuneration Committees. Mr Yee is currently Head, Catalist of CIMB Bank Berhad, Singapore Branch, a position he has held since early 2011. At CIMB Bank, he is responsible for the introduction, supervision and continuing sponsorship of Catalist companies on the SGX-ST. Mr Yee holds a Bachelor of Accountancy Degree (First Class Honours) from the Nanyang Technological University, Singapore. He currently sits on the audit committee of Ren Ci Hospital (a Singapore charity) and is an independent director of First Sponsor Group Limited, a company listed on the SGX-ST. Mr Yee is an elected Member of Parliament for Chua Chu Kang GRC.

**Key Executives****Mr Lee Kon Meng, Peter***Chief Operating Officer*

Mr Lee Kon Meng, Peter joined the Group in May 2010 and is responsible for developing and nurturing the Group's core businesses and overseeing the group fleet operations. Mr Lee holds a Master Mariner Class 1 certification and he is a veteran of the merchant navy and offshore industry in related management oversight and responsibilities. Before joining the Group, Mr Lee served as a Director of POSH Semco Pte Ltd (joining from 1993 to May 2010), specialising in turnkey major transportation and FPSO towage, installation projects in the offshore oil and gas industry and salvage.

**Mr Cheah Boon Pin***Group Chief Financial Officer*

Mr Cheah Boon Pin is responsible for all accounting, financial and taxation matters. He joined the Group in June 2007 bringing with him over 15 years of experience in auditing and commercial accounting. Before joining the Group, Mr Cheah had served in financial management positions in two Singapore Exchange Main Board listed companies. He holds an ACCA accounting qualification and is a member of the Institute of Singapore Chartered Accountants.

**Mr Poh Leong Ching, David***Chief Business Development Officer*



Mr Poh Leong Ching, David is responsible for identifying, securing and managing relationships in new business areas in line with the strategic direction of the Group. He is also the country head of China and Mexico spearheading the Group's foray in developing business opportunities in these countries. Under his credentials are over 20 years of experience in the sales and operations of vessels and cranes. Mr Poh was the Marketing Manager of Tiong Woon Marine Pte Ltd and Tat Hong Holdings Group before joining the Group.

**Mr Lawrence Chan**

*Chief Corporate Development Officer*

Mr Lawrence Chan joined the Group in June 2015 and heads the commercial function, corporate development and legal departments of the Group. He was the deputy regional business head of an offshore and marine services company that was listed on the Australia Securities Exchange. Prior to that, he was in the Executive Chairman's Office of Keppel Corporation Limited and held various portfolios such as corporate development and investments within the Keppel Group. Mr Chan holds a Master of Business Administration from Nanyang Technological University (2014) and BI Norwegian Business School (2012), and is an Advocate & Solicitor of the Supreme Court of Singapore and a Barrister-at-law of England & Wales (Middle Temple).

**Mr Tan Kim Kwang**

*Group Human Resources Director*

Mr Tan Kim Kwang joined the Group in January 2014 and is responsible for the human resources management for the Group. He was a Managing Director with the Government of Singapore Investment Corporate Pte Ltd (GIC) managing the global human resources and facilities function. He was with the GIC for 16 years. Prior to joining the GIC, Mr Tan was with DBS Bank for seven years, working in the retail banking sector. Mr Tan holds a Bachelor Degree (1st Class Honours) in Mechanical Engineering from the National University of Singapore.

**Mr Derek Koh**

*Director, Fleet Services*

Mr Derek Koh is responsible for Teras Fleet including Operations, HSEQA, Procurement, Crewing, Engineering, Training, New Builds and Technical functions. He holds a Bachelor of Business Administration and a Diploma in Shipbuilding and Offshore Engineering. Mr Koh has more than 21 years of experience in the marine industry and was the Chief Operating Officer of a listed marine services company prior to joining the group.

**Mr Ye Min**

*Deputy Chief Information Officer*

Mr Ye Min is responsible for providing vision and leadership in developing and implementing information technology initiatives that align with the business and operation needs of the Group. He joined the Group in April 2014, with over 20 years' experience in Information Technology. Prior to this, Mr Ye served as General Manager, IT Services in a Singapore Exchange Main Board listed company managing the IT aspects of the operation.

**Mr Alan Chong**

*Head, Corporate Finance*

Mr Alan Chong joined the Group in February 2007 and is responsible for the debt and equity raising activities as well as the investor relations of the Group. Mr Chong is also in charge of the insurance requirements of the vessels and Service Rigs owned by the Group. He holds a Bachelor of Business (Honours) degree in Banking and Finance from the Nanyang Technological University, Singapore and has more than 10 years of experience in the offshore oil and gas industry.

**Appendix E-1**

**Terms and Conditions of the Refinancing Series A Non-Convertible Bonds**

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## TERMS AND CONDITIONS OF THE REFINANCING SERIES A NON-CONVERTIBLE BONDS

*The following, other than the words in italics, is the text of the terms and conditions of the Refinancing Series A Non-Convertible Bonds which will be attached to each of the definitive certificates (if issued) evidencing the Refinancing Series A Non-Convertible Bonds:*

The issue of Refinancing Series A 0.25 per cent. non-convertible bonds due 2024 (the “**Refinancing Series A Non-Convertible Bonds**”) by Ezion Holdings Limited (the “**Issuer**”) was authorised by the board of directors of the Issuer on [DATE]. The Refinancing Series A Non-Convertible Bonds are constituted by a refinancing bonds trust deed ((as amended and supplemented from time to time) the “**Refinancing Bonds Trust Deed**”) dated [DATE] (the “**Issue Date**”) made between the Issuer and [TRUSTEE] as trustee for, *inter alia*, the holders of the Refinancing Series A Non-Convertible Bonds (the “**Refinancing Bonds Trustee**”, which term shall, where the context so permits, include all other person or company for the time being acting as trustee or trustees under the Refinancing Bonds Trust Deed). The Issuer has entered into a paying, conversion and transfer agency agreement relating to, *inter alia*, the Refinancing Series A Non-Convertible Bonds dated [DATE] (the “**Refinancing Bonds Agency Agreement**”) with the Refinancing Bonds Trustee, [PAYING AGENT] as principal paying, conversion and transfer agent (the “**Principal Paying Agent**”), [REGISTRAR] as registrar (the “**Registrar**” and, together with the Principal Paying Agent, the “**Agents**”) relating to the Refinancing Series A Non-Convertible Bonds. These Conditions include summaries of, and are subject to, the detailed provisions of the Refinancing Bonds Trust Deed, which includes the form of the Refinancing Series A Non-Convertible Bonds. Unless otherwise defined, terms used in these Conditions have the meaning specified in the Refinancing Bonds Trust Deed. Copies of the Refinancing Bonds Trust Deed, the Refinancing Bonds Agency Agreement and the deed of covenant (the “**Deed of Covenant**”) dated the Issue Date executed by the Issuer relating to the Refinancing Series A Non-Convertible Bonds are available for inspection during the usual business hours at the principal office for the time being of the Principal Paying Agent (presently at [ADDRESS]). The holders of the Refinancing Series A Non-Convertible Bonds are entitled to the benefit of and are bound by all the provisions of the Refinancing Bonds Trust Deed and Deed of Covenant, and are deemed to have notice of all the provisions of the Refinancing Bonds Trust Deed, the Refinancing Bonds Agency Agreement and Deed of Covenant applicable to them.

### **1. Status**

The Refinancing Series A Non-Convertible Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Refinancing Series A Non-Convertible Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unsubordinated and unsecured obligations.

### **2. Form, denomination and title**

#### **2.1 Form and denomination**

The Refinancing Series A Non-Convertible Bonds are issued in registered form in the denomination of S\$50,000 and integral multiples of S\$50,000 in excess thereof. A bond certificate (each a “**Certificate**”) will be issued to each Bondholder in respect of its registered aggregate holding of Refinancing Series A Non-Convertible Bonds. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders which the Issuer will procure to be kept by the Registrar.

*Upon issue, the Refinancing Series A Non-Convertible Bonds will be represented by a global certificate registered in the name of the Depository and deposited with the Depository. Refinancing Series A Non-Convertible Bonds which are represented by the global certificate will be transferable only in accordance with the rules and procedures for the time being of the Depository. Certificates in definitive form for individual holdings of Refinancing Series A Non-Convertible Bonds will not be issued except if (a) an event of default, enforcement event or analogous event entitling an Accountholder (as defined below) or the Refinancing Bonds Trustee to declare the Refinancing Series A Non-Convertible Bonds due and payable as provided in these Conditions has occurred and is continuing, or (b) the Depository is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or*

otherwise), announces an intention to permanently cease business or has notified the Issuer that it is unable or unwilling to act as depository for the Refinancing Series A Non-Convertible Bonds and to continue performing its duties set out in its terms and conditions for the provision of depository services, and in each case where no alternative clearing system is available.

## 2.2 Title

Title to the Refinancing Series A Non-Convertible Bonds passes only by transfer and registration in the register of Bondholders (the “**Register**”) as described in **Condition 3**. The holder of any of the Refinancing Series A Non-Convertible Bonds will (except as otherwise required by law or ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, “**Bondholder**” and (in relation to the Refinancing Series A Non-Convertible Bonds) “**holder**” means the person in whose name the Refinancing Series A Non-Convertible Bonds are registered in the Register.

*For so long as any of the Refinancing Series A Non-Convertible Bonds is represented by the Global Certificate and the Global Certificate is registered in the name of the Depository, each person who is for the time being shown in the records of the Depository as the holder of a particular principal amount of such Refinancing Series A Non-Convertible Bonds (in which regard any certificate or other document issued by the Depository as to the principal amount of such Refinancing Series A Non-Convertible Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Principal Paying Agent, all other agents of the Issuer and the Refinancing Bonds Trustee as the holder of such principal amount of Refinancing Series A Non-Convertible Bonds other than with respect to the payment of principal, premium and any other amounts in respect of the Refinancing Series A Non-Convertible Bonds, for which purpose the person whose name is shown on the Register as the holder of the Global Certificate shall be treated by the Issuer, the Principal Paying Agent, all other agents of the Issuer and the Refinancing Bonds Trustee as the holder of such Refinancing Series A Non-Convertible Bonds in accordance with and subject to the terms of the Global Certificate (and the expression “Bondholder” and related expressions shall be construed accordingly). Refinancing Series A Non-Convertible Bonds which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of the Depository. For so long as any of the Refinancing Series A Non-Convertible Bonds is represented by the Global Certificate and the Global Certificate is held by the Depository, the payment of principal, interest and any other amounts in respect of the Refinancing Series A Non-Convertible Bonds shall be made by the Depository to the persons shown in the records of the Depository as the holder of Refinancing Series A Non-Convertible Bonds in accordance with the rules and procedures for the time being of the Depository and the record date for the purposes of determining entitlements to any payment of principal, interest and any other amounts in respect of the Refinancing Series A Non-Convertible Bonds shall, unless otherwise specified by the Issuer, be the date falling five business days prior to the relevant payment date (or such other date as may be prescribed by the Depository from time to time).*

*In these Conditions, “Global Certificate” means the global Certificate representing the Refinancing Series A Non-Convertible Bonds, or some of them, substantially in the form set out in Schedule [2] of the Refinancing Bonds Trust Deed and “Bondholder” and (in relation to the Refinancing Series A Non-Convertible Bonds) “holder” means the person in whose name the Refinancing Series A Non-Convertible Bonds registered.*

## 3. Transfers of Refinancing Series A Non-Convertible Bonds; Issue of Certificates

### 3.1 Register

The Issuer will cause the Register to be kept at the specified office of the Registrar, and in accordance with the terms of the Refinancing Bonds Agency Agreement, on which shall be entered the names and addresses of the holders of the Refinancing Series A Non-Convertible Bonds and the particulars of the Refinancing Series A Non-Convertible Bonds held by them and of all transfers of the Refinancing Series A Non-Convertible Bonds. Each Bondholder shall be entitled to receive only one Certificate in respect of its entire holding of Refinancing Series A Non-Convertible Bonds.

### 3.2 Transfers

Subject to **Condition 3.5** and the terms of the Refinancing Bonds Agency Agreement, the Refinancing Series A Non-Convertible Bonds may be transferred by delivery of the Certificate issued in respect of those Bonds, together with the form of transfer on the back duly completed and signed under the hand of the holder or his attorney duly authorised in writing (a copy of such authorisation to be attached to the form of transfer), to the specified office of the Registrar or any of the Agents. No transfer of title to Refinancing Series A Non-Convertible Bonds will be valid unless and until entered on the Register.

*Transfers of interests in Bonds evidenced by the Global Certificate will be effected in accordance with the rules of the Depository.*

### 3.3 Delivery of New Certificates

**3.3.1** Each new Certificate to be issued upon a transfer or exchange of Refinancing Series A Non-Convertible Bonds will, within seven Business Days of receipt by the Registrar or, as the case may be, any other relevant Agent of the original Certificate and the form of transfer duly completed and signed, be made available for collection at the specified office of the Registrar or such other relevant Agent or, if so requested in the form of transfer, be mailed by registered mail at the risk of the holder entitled to the Refinancing Series A Non-Convertible Bonds (but free of charge to the holder) to the address specified in the form of transfer. The form of transfer is available at the specified office of the Registrar.

*Except in limited circumstances described above, owners of interests in the Refinancing Series A Non-Convertible Bonds represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of Refinancing Series A Non-Convertible Bonds.*

**3.3.2** Where only part of a principal amount of the Refinancing Series A Non-Convertible Bonds in respect of which a Certificate is issued is to be transferred, converted or redeemed, a new Certificate in respect of the Refinancing Series A Non-Convertible Bonds not so transferred, converted or redeemed will, within seven Business Days of delivery of the original Certificate to the Registrar, be made available for collection at the specified office of the Registrar or, if so requested in the form of transfer, be mailed by registered mail at the risk of the holder of the Refinancing Series A Non-Convertible Bonds not so transferred, exchanged or converted (but free of charge to the holder) to the address of such holder appearing on the Register, provided that the principal amount to be transferred and the principal amount not so transferred each has a denomination of S\$50,000 and integral multiples of S\$50,000 in excess thereof.

**3.3.3** For the purposes of these Conditions (except for **Condition 6**), “**Business Day**” shall mean a day other than a Saturday or Sunday or a public holiday on which banks are open for business in the country in which the specified office of the Registrar (if a Certificate is deposited with it in connection with a transfer or redemption) or the Agent with whom a Certificate is deposited in connection with a transfer, is located.

### 3.4 Formalities free of charge

Registration of a transfer of Refinancing Series A Non-Convertible Bonds will be effected without charge by or on behalf of the Issuer or the Registrar (as the case may be) but upon (i) payment (or the giving of such indemnity as the Issuer or the Registrar (as the case may be) may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer, (ii) the Issuer or the Registrar (as the case may be) being satisfied that the regulations concerning transfer of Refinancing Series A Non-Convertible Bonds have been complied with and (iii) receipt by the Registrar of such evidence as it may require.

### 3.5 Closed periods

No Bondholder may require the transfer of Refinancing Series A Non-Convertible Bonds to be registered (i) during the period of 15 days ending on (and including) the date for payment of any principal pursuant to the Conditions (including the Maturity Date), (ii) during the period of 15 days ending on (and including) the date for redemption pursuant to **Conditions 8.2, 8.3 or 8.4**, or (iii) during the period of 15 days ending on (and including) any Interest Record Date (as defined in **Condition 7.1.2**), each such period being a “**Closed Period**”.

### 3.6 Regulations

All transfers of Refinancing Series A Non-Convertible Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Refinancing Series A Non-Convertible Bonds scheduled in the Refinancing Bonds Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Refinancing Bonds Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge to the relevant Bondholder) by the Registrar to any Bondholder upon request.

## 4. [INTENTIONALLY OMITTED]

## 5. Interest

### 5.1 Interest Rate and Accrual

The Refinancing Series A Non-Convertible Bonds bear interest with respect to each Interest Period on its outstanding principal amount from [DATE OF FIRST EXTRAORDINARY RESOLUTION] (the “**Interest Commencement Date**”) at the rate of 0.25 per cent. per annum (the “**Interest Rate**”) such interest payable semi-annually in arrear on [●] and [●] of each year beginning on [●] 2018 (each, an “**Interest Payment Date**”). Unless previously converted or redeemed, the Refinancing Series A Non-Convertible Bonds will cease to bear interest on the Maturity Date, save for any amount payable in accordance with **Condition 5.2**.

For the purposes of these Conditions, “**Interest Period**” means the period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including an Interest Payment Date to but excluding the next succeeding Interest Payment Date.

### 5.2 Cessation of Interest

The Refinancing Series A Non-Convertible Bonds will cease to bear interest from the due date for redemption thereof unless, upon surrender in accordance with **Condition 8**, payment of the full amount due is improperly withheld or refused or default is otherwise made in respect of any such payment. In such event, interest will continue to accrue at the applicable per annum rate specified in **Condition 5.1** (after as well as before judgment) up to but excluding the date on which all sums due in respect of the Refinancing Series A Non-Convertible Bonds are received by or on behalf of the relevant holder.

### 5.3 Day Count Fraction

If interest with respect of a period is required to be calculated for a period of less than one year, it will be calculated on the basis of the actual number of days elapsed and a 365-day year (the “**Day Count Fraction**”). Any interest payable under this Condition will be paid in accordance with **Condition 7.1**.

## 6. [INTENTIONALLY OMITTED]

## 7. Payments

### 7.1 Method of Payment

**7.1.1** Payment of the principal, premium (if any) and any interest due other than on an Interest Payment Date will be made by transfer to the registered account of the Bondholder or by Singapore Dollar cheque drawn on a bank in Singapore mailed to the registered address of the Bondholder if it does not have a registered account at the risk of such Bondholder. Payment of principal will only be made after surrender of the relevant Certificate at the specified office of an Agent.

**7.1.2** Interest on the Refinancing Series A Non-Convertible Bonds due on an Interest Payment Date will be paid on the due date for the payment of interest to the holder shown on the Register at the close of business on the 15th day before the due date for the payment of such interest (the “**Interest Record Date**”). Payments of interest on the Refinancing Series A Non-Convertible Bonds will be made by transfer to the registered account of the Bondholder or by Singapore Dollar cheque drawn on a bank in Singapore mailed to the registered address of the Bondholder if it does not have a registered account at the risk of such Bondholder.

## 7.2 Registered accounts

For the purposes of these Conditions, a Bondholder's registered account means the Singapore Dollar bank account maintained by or on behalf of it with a bank in Singapore, details of which appear on the Register at the close of business on the second business day (as defined below) before the due date for payment, and a Bondholder's registered address means its address appearing on the Register at that time.

## 7.3 Fiscal laws

All payments are subject in all cases to any applicable laws and regulations in the place of payment, but without prejudice to the provisions of **Condition 9**. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

## 7.4 Payment initiation

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a business day (as defined below), for value on the first following day which is a business day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (at the risk and, if mailed at the request of the holder otherwise than by registered mail, expense of the holder) on the due date for payment (or, if it is not a business day, the immediately following business day) or, in the case of a payment of principal, if later, on the business day on which the relevant Certificate is surrendered at the specified office of an Agent.

## 7.5 Delay in payment

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due as a result of the due date not being a business day, if the Bondholder is late in surrendering his Certificate (if required to do so) within a period of three (3) business days after being notified of such requirement, or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

## 7.6 Partial Payment

If an amount which is due on the Refinancing Series A Non-Convertible Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

## 7.7 Business Day for Payment

In this **Condition 6** only, "**business day**" means a day other than a Saturday, Sunday and public holiday on which commercial banks are open for business in Singapore and, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered.

## 8. Redemption, Purchase and Cancellation

### 8.1 Maturity

Unless previously redeemed or purchased and cancelled as provided in these Conditions, the Issuer will redeem the Bonds on [●] 2024 (the "**Maturity Date**") at the Redemption Amount.

"**Redemption Amount**" means the outstanding principal amount of the Bonds multiplied by the sum of 106.0 per cent. and any Additional Premium; and

"**Additional Premium**" (expressed as a percentage) shall be calculated on the 15th day immediately prior to the relevant redemption date (the "**Premium Determination Date**") based on the following:

$$\text{Additional Premium (\%)} = \frac{(A - B)}{B} \times 6.0$$

Where:

A = the volume weighted average price of a Share for the 30-day period ("**30VWAP**") before the Premium Determination Date;

B = the higher of the 30VWAP after the issue date of the Refinancing Series A Non-Convertible Bonds and S\$0.2763 (the “**Minimum Price**”),

in each case subject to adjustment in accordance with Clause 8.8, provided that if the Additional Premium as calculated in accordance with the above formula is less than zero, then the Additional Premium applicable shall be zero.

The Refinancing Series A Non-Convertible Bonds may not be redeemed, in whole or in part, prior to that date other than in accordance with this **Condition 8** (but without prejudice to **Condition 11**).

## **8.2 Redemption at the option of the Issuer**

**8.2.1** At any time after the date that is five years after the date the first Extraordinary Resolution No. 1 of any Series of Securities is passed the Issuer may, having given not less than 30 nor more than 60 days’ notice to the Bondholders (which notice shall be irrevocable) redeem all, and not some only, of the Refinancing Series A Non-Convertible Bonds at the Redemption Amount plus interest accrued, if any, to but excluding the date for redemption.

**8.2.2** Upon the expiry of such notice, the Issuer will be bound to redeem such Refinancing Series A Non-Convertible Bonds as aforesaid.

## **8.3 Redemption for taxation reasons**

**8.3.1** At any time the Issuer may, having given not less than 30 nor more than 60 days’ notice to the Bondholders (which notice shall be irrevocable) redeem all, and not some only, of the Refinancing Series A Non-Convertible Bonds at the Redemption Amount plus interest accrued, if any, to but excluding the date fixed for redemption (the “**Tax Redemption Date**”), if (i) the Issuer has or will become obliged to pay additional amounts as referred to in **Condition 9**, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Refinancing Series A Non-Convertible Bonds were then due.

**8.3.2** Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Refinancing Bonds Trustee (a) a certificate signed by two directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and (b) an opinion of independent legal or tax advisors of recognised standing in Singapore to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective) and the Issuer has or will become obliged to pay additional amounts as referred to in **Condition 9**. The Refinancing Bonds Trustee shall be entitled to accept such certificate and opinion as sufficient evidence thereof and the fulfilment of the requirements in (i) and (ii) above, in which event it shall be conclusive and binding on the Bondholders.

**8.3.3** Upon the expiry of any such notice, the Issuer will be bound to redeem the Refinancing Series A Non-Convertible Bonds as aforesaid.

## **8.4 Redemption at the Option of Bondholders for Delisting**

**8.4.1** If the Shares cease to be listed or admitted to trading on the SGX-ST, the Issuer shall, at the option of the holder of any Refinancing Series A Non-Convertible Bond (the “**Delisting Put Option**”), redeem such Refinancing Series A Non-Convertible Bond at the Redemption Amount plus interest accrued, if any, to but excluding the date fixed for redemption (the “**Delisting Redemption Date**”), being the date falling 30 days after the Shares cease to be listed or admitted to trading.

**8.4.2** The Issuer shall within seven days after the date the Shares cease to be listed or admitted to trading give notice to the Refinancing Bonds Trustee, the Agents and the Bondholders of such occurrence (provided that any failure by the Issuer to give such notice shall not prejudice any



Bondholder of such option). To exercise such option, the holder must deposit such Refinancing Series A Non-Convertible Bond with the relevant Agent at its specified office, together with an exercise notice in the form obtainable from the relevant Agent or the Issuer (as applicable) (an “**Exercise Notice**”) not later than 21 days after the Shares cease to be listed or admitted to trading. Any Refinancing Series A Non-Convertible Bond and Exercise Notice so deposited may not be withdrawn (except as provided in the Refinancing Bonds Agency Agreement) without the prior consent of the Issuer.

*Subject to the requirements of the Depository, the Delisting Put Option attaching to the Refinancing Series A Non-Convertible Bonds represented by the Global Certificate may be exercised by the presentation to or to the order of the relevant Agent of one or more Exercise Notices duly completed by or on behalf of an Accountholder. Deposit of the Global Certificate with the relevant Agent together with the relevant Exercise Notice shall not be required. In such a case, the delivery of the Exercise Notice in respect of the Refinancing Series A Non-Convertible Bonds to be converted will constitute or be deemed to constitute confirmation by the relevant Accountholder that the information and representations in the Exercise Notice are true and accurate on the date of delivery. The exercise of the Delisting Put Option shall be notified by the relevant Agent to the holder of the Global Certificate.*

*Any exercise of the Delisting Put Option attaching to the Refinancing Series A Non-Convertible Bonds represented by the Global Certificate shall be further conditional on that principal amount of Refinancing Series A Non-Convertible Bonds so exercised being available in the “Free Balance” of the securities account(s) of the exercising Bondholder with the Depository until the relevant Delisting Redemption Date and on the exercising Bondholder electing in the Exercise Notice to have the delivery of the redemption amount of the relevant Bonds to be effected by crediting such amount to the securities account(s) of the exercising Bondholder, failing which the Exercise Notice shall be void and all rights of the exercising Bondholder and of any other person thereunder shall cease.*

#### **8.5 Purchases**

The Issuer and/or any of its related corporations may at any time purchase Refinancing Series A Non-Convertible Bonds at any price in the open market or otherwise. Such Refinancing Series A Non-Convertible Bonds may, at the option of the Issuer or the relevant related corporation, be held, resold or cancelled. The Refinancing Series A Non-Convertible Bonds so acquired, while held by or on behalf of the Issuer or any related corporation, shall not entitle the holders thereof to convert the Refinancing Series A Non-Convertible Bonds in accordance with these Conditions nor exercise any voting rights with respect to such Refinancing Series A Non-Convertible Bonds.

#### **8.6 Cancellation**

All Refinancing Series A Non-Convertible Bonds which are redeemed in accordance with these Conditions will be cancelled forthwith upon such redemption, whether or not the Certificates representing such Refinancing Series A Non-Convertible Bonds have been delivered to the Issuer pursuant to such redemption. Certificates in respect of all Refinancing Series A Non-Convertible Bonds cancelled will be forwarded to or to the order of the Registrar and such Refinancing Series A Non-Convertible Bonds may not be reissued or resold.

#### **8.7 Redemption notices**

All notices to Bondholders given by or on behalf of the Issuer pursuant to this Condition will be given in accordance with **Condition 17**, and specify the date for redemption, the manner in which redemption will be effected and the aggregate principal amount of the Refinancing Series A Non-Convertible Bonds outstanding as at the latest practicable date prior to the publication of the notice. If more than one redemption notice (which shall include any notice given by the Issuer pursuant to **Conditions 8.2, 8.3 or 8.4**) is received, the first of such notices to be given shall prevail. No redemption notice shall be effective if it specifies a redemption date falling during a Closed Period.

## 8.8 Adjustments to 30VWAP and Minimum Price

The 30VWAP and Minimum Price (the “**Relevant Price**”) will be subject to adjustment in the following events:

**8.8.1** *Consolidation, Subdivision or Reclassification:* If and whenever there shall be an alteration to the number of Shares in issue as a result of consolidation, subdivision or reclassification, the Relevant Price shall be adjusted by multiplying the Relevant Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Shares in issue immediately before such alteration;  
and

B is the aggregate number of Shares in issue immediately after such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

**8.8.2** *Capitalisation of profits or reserves:*

(i) If and whenever the Issuer shall issue any Shares credited as fully paid to the holders of the Shares (the “**Shareholders**”) by way of capitalisation of profits or reserves, including Shares paid up out of distributable profits or reserves (including a free distribution or bonus issue of Shares) other than a Scrip Dividend and which would not have constituted a Capital Distribution, the Relevant Price shall be adjusted by multiplying the Relevant Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Shares in issue immediately before such issue;  
and

B is the number of Shares in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of the Shares, or if a Record Date is fixed therefor, immediately after such Record Date.

(ii) In the case of an issue of Shares by way of a Scrip Dividend where the Current Market Price (as defined in **Condition 8.9.3**) of such Shares on the last full Trading Day preceding the date of announcement of the terms of such issue exceeds the amount of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Capital Distribution, the Relevant Price shall be adjusted by multiplying the Relevant Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the aggregate number of Shares in issue immediately before such Scrip Dividend;

B is the aggregate number of Shares issued by way of such Scrip Dividend multiplied by a fraction which (i) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash

Dividend and (ii) the denominator is such Current Market Price of the Shares issued by way of Scrip Dividend in respect of each existing Share in lieu of the whole, or the relevant part, of the Relevant Cash Dividend; and

C is the aggregate number of Shares issued by way of such Scrip Dividend.

or by making such other adjustment to the Relevant Price to give effect to the foregoing as an Independent Adviser shall certify to the Refinancing Bonds Trustee is fair and reasonable.

Such adjustment shall become effective on the date of issue of such Shares or if a Record Date is fixed therefor, immediately after such Record Date.

**8.8.3** *Capital Distribution:* If and whenever the Issuer shall pay or make any Capital Distribution to the Shareholders (except where the Relevant Price falls to be adjusted under **Condition 8.8.2** above), the Relevant Price shall be adjusted by multiplying the Relevant Price in force immediately before such Capital Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the last full Trading Day preceding the date on which the Capital Distribution is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the Capital Distribution attributable to one Share.

Such adjustment shall become effective on the date that such Capital Distribution is made, or if a Record Date is fixed therefor, immediately after such Record Date.

**8.8.4** *Rights Issues of Shares or Options over Shares:* If and whenever the Issuer shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, in each case at less than 90 per cent. of the Current Market Price per Share on the last full Trading Day preceding the date of the announcement of the terms of such issue or grant, the Relevant Price shall be adjusted by multiplying the Relevant Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the aggregate number of Shares in issue immediately before such announcement;
- B is the number of Shares which the aggregate amount (if any) receivable for the Shares issued by way of rights or for the options or warrants or other rights issued by way of rights and for the total number of Shares comprised therein would subscribe for, purchase or otherwise acquire at such Current Market Price per Share; and
- C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant of such rights, options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be), or if a Record Date is fixed

therefor, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be on the Relevant Stock Exchange.

- 8.8.5** *Rights Issues of Other Securities:* If and whenever the Issuer shall issue any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares) to all or substantially all Shareholders as a class by way of rights, or grant to all or substantially all Shareholders as a class, by way of rights, any options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the Relevant Price shall be adjusted by multiplying the Relevant Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the last full Trading Day preceding the date on which such issue or grant is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be), or if a Record Date is fixed therefor, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be on the Relevant Stock Exchange.

**8.8.6** [INTENTIONALLY OMITTED]

**8.8.7** [INTENTIONALLY OMITTED]

**8.8.8** [INTENTIONALLY OMITTED]

- 8.8.9** *Other Offers to Shareholders:* If and whenever the Issuer or any Subsidiary or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary) any other company, person or entity issues, sells or distributes any securities in connection with which an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Relevant Price falls to be adjusted under **Conditions 8.8.4** or **8.8.5**), the Relevant Price shall be adjusted by multiplying the Relevant Price in force immediately before such issue by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the last full Trading Day preceding the date on which such issue is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue, sale or delivery of the securities.

- 8.8.10** *Other Events:* In the event any adjustment to the Relevant Price is proposed or required to be made as a result of one or more events or circumstances not referred to in this **Condition 8.8**, the Issuer shall at its own expense request an Independent Adviser to determine as soon as practicable what adjustment (if any) to the Relevant Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Relevant Price, and the date on which such adjustment should take effect and upon such determination by the Independent Adviser such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that where the events or circumstances giving

rise to any adjustment pursuant to this **Condition 8.8** have already resulted or will result in an adjustment to the Relevant Price or where the events or circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Relevant Price, such modification (if any) shall be made to the operation of the provisions of this **Condition 8.8** as may be advised by the Independent Adviser to be in its opinion appropriate to give the intended result. The Issuer in exercising or making any discretion, consideration or determination (if applicable) shall, subject to any changes to, supplements, modifications and/or amendments of the accounting standards applicable to the Issuer from time to time, take into account or have reference to the general principle and intent, which is based on accounting standards applicable to the Issuer as at the date of execution of this Agreement, that such adjustment shall, to the extent possible or permitted, be made in such manner such that the per Share value of such adjustment cannot exceed the per Share value of the dilution to the Shareholder's interest in the equity of the Issuer (based on the Shares comprised in the unexercised options held by such Shareholder) which would otherwise result from the relevant transaction or event (as contemplated under the relevant Condition) giving rise to such adjustment.

## 8.9 Definitions

In these Conditions:

**8.9.1** “**Capital Distribution**” means (i) any distribution of assets *in specie* by the Issuer for any financial period whenever paid or made and however described (and for these purposes a distribution of assets *in specie* includes without limitation an issue of Shares or other securities credited as fully or partly paid (other than Shares credited as fully paid to the extent an adjustment to the Relevant Price is made in respect thereof under **Condition 8.8.2(i)**) by way of capitalisation of reserves, but excludes a Scrip Dividend to the extent an adjustment to the Relevant Price is made in respect thereof under **Condition 8.8.2(ii)**), and (ii) any cash dividend or distribution of any kind by the Issuer relating to the Shares for any financial period whenever paid or made and however described, including (without limitation) any Scrip Dividend to the extent of the Relevant Cash Dividend, excluding any dividend or distribution for that financial period to the extent that it does not (when taken together with any other Relevant Cash Dividends previously made or paid in respect of that financial period) exceed 20 per cent. of the Market Capitalisation of the Issuer at the time of announcement of such Relevant Cash Dividend, for each such financial period.

**8.9.2** “**Closing Price**” for the Shares for any Trading Day shall be the closing market price quoted by the SGX-ST for such Trading Day.

**8.9.3** “**Current Market Price**” means, in respect of a Share at a particular time on a particular date, the average of the daily Closing Price quoted by the SGX-ST for one Share for the five consecutive Trading Days ending on and including the Trading Day immediately preceding such date; provided that if at any time during the said five Trading Day period the Shares shall have been quoted ex-dividend (or ex-any other entitlement) and during some other part of that period the Shares shall have been quoted cum-dividend (or cum-any other entitlement) then:

- (i) if the Shares to be issued, transferred or delivered in such circumstances do not rank for the dividend (or other entitlement) in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend (or cum-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of the amount of that dividend (or other entitlement) per Share; or
- (ii) if the Shares to be issued, transferred or delivered in such circumstances rank for the dividend (or other entitlement) in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend (or ex-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of the amount of that dividend (or other entitlement) per Share,

and provided further that if the Shares on each of the said five Trading Days have been quoted cum-dividend (or cum-any other entitlement) in respect of a dividend (or other entitlement) which has been declared or announced but the Shares to be issued, transferred or delivered do

not rank for that dividend (or other entitlement), the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend (or other entitlement) per Share.

- 8.9.4** “**Employee Share Scheme**” means any scheme involving the issue, offer or grant (with or without consideration) by the Issuer or any of its Subsidiaries of rights or options over Shares or other securities of the Issuer or any of its Subsidiaries to, or for the benefit of, specified participants (including, without limitation, employees (including directors) or former employees of the Issuer, its Subsidiaries and/or associated companies, or persons related to such employees (including directors) and former employees) of such schemes or any arrangement involving the issue, offer or grant of rights or options (with or without consideration) to participants over Shares or other securities of the Issuer or any of its Subsidiaries which is analogous to an Employee Share Scheme provided such scheme is in compliance with the listing rules of the SGX-ST.
- 8.9.5** “**Fair Market Value**” means, with respect to any assets, securities, options, warrants or other rights on any date, the fair market value of that asset, security, option, warrant or other right as determined in good faith by an Independent Adviser; provided that (i) the fair market value of a cash dividend paid or to be paid per Share shall be the amount of such cash dividend per Share determined as at the date of announcement of such dividend; and (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such Independent Adviser) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily Closing Prices of such options, warrants or other rights during the period of five Trading Days on the relevant market commencing on the first such Trading Day such options, warrants or other rights are publicly traded.
- 8.9.6** “**Independent Adviser**” means licensed independent investment bank or independent auditors (acting as an expert) selected by the Issuer and approved in writing by the Refinancing Bonds Trustee.
- 8.9.7** “**Market Capitalisation**” on any date means the product of (a) the Current Market Price on such date and (b) the total number of Shares issued and outstanding on such date;
- 8.9.8** “**Relevant Cash Dividend**” means the aggregate cash dividend or distribution declared by the Issuer, including any cash dividend in respect of which there is any Scrip Dividend (which, for the avoidance of doubt, shall exclude a purchase or redemption of Shares, but include the Relevant Cash Dividend component of a Scrip Dividend).
- 8.9.9** “**Relevant Stock Exchange**” means the SGX-ST or, in the case of Shares or other securities if they are not at the time listed and traded on the SGX-ST, the principal stock exchange or securities market on which the Shares or other securities are then listed or quoted or dealt in.
- 8.9.10** “**REPS**” means the 300 redeemable exchangeable preference shares issued by a Subsidiary of the Issuer and convertible into Shares.
- 8.9.11** “**Scrip Dividend**” means where Shares are issued in lieu of the whole or any part of any Relevant Cash Dividend, being a dividend which the Shareholders concerned would or could otherwise have received and which would not have constituted a Capital Distribution (and for the avoidance of doubt to the extent that no adjustment is to be made under **Condition 8.8.3** in respect of the amount by which the Current Market Price of the Shares exceeds the Relevant Cash Dividend of part thereof) but without any prejudice to any adjustment required in such circumstances to be made under **Condition 8.8.2(ii)**.
- 8.9.12** “**Series 008 Securities**” means the S\$150 million subordinated perpetual securities issued as Series 008 (ISIN No. SG6UH9000009) under the Issuer’s multicurrency debt issuance programme.
- 8.9.13** “**Trading Day**” means a day when the Relevant Stock Exchange is open for business and on which the Shares or other securities may be dealt in, provided that if no Closing Price is reported in respect of the relevant Shares or other securities on the Relevant Stock Exchange for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days.

- 8.9.14** “**Warrants (2016)**” means the 355,099,387 warrants to subscribe for 355,099,387 new Shares of the Issuer that were issued subject to and with the benefit of a deed poll dated 13 April 2016 and executed by the Issuer.
- 8.9.15** “**Warrants (2018-Shareholders)**” means the up to 1,244,306,043 warrants proposed to be issued by the Issuer to its Shareholders, subject to the passing of the extraordinary resolutions to be proposed to the Issuer’s shareholders at an extraordinary general meeting scheduled to be convened.
- 8.9.16** “**Warrants (2018-Securityholders)**” means the up to 575,000,000 warrants proposed to be issued by the Issuer free to holders of the Refinancing Series B Convertible Bonds and holders of the proposed amended Series 008 Securities who exercise the Conversion Right with respect to each S\$50,000 in principal amount of such securities (1) on or prior to the date that is 60 days after the issue date of the Refinancing Series B Convertible Bonds or the effective date of the amendments to the Series 008 Securities, as the case may be, (in which case 50,000 warrants will be issued) or (2) after 60 days but on or prior to six months after such issue date or effective date (in which case 25,000 warrants will be issued), in each case subject to the passing of the extraordinary resolutions to be proposed to the Issuer’s shareholders at an extraordinary general meeting scheduled to be convened.

## **8.10 Miscellaneous**

For the purposes of these Conditions:

- 8.10.1** On any adjustment, the relevant Relevant Price shall be rounded down to the nearest S\$0.0001. No adjustment shall be made to the Relevant Price where such adjustment (rounded down if applicable) would be less than one per cent of the Relevant Price then in effect. Any adjustment not required to be made, and any amount by which the Relevant Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustment shall be given to Bondholders in accordance with **Condition 17** as soon as practicable after the determination thereof.
- 8.10.2** Where more than one event which gives or may give rise to an adjustment to the Relevant Price occurs within such a short period of time that in the opinion of the Independent Adviser, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such Independent Adviser to be in its opinion appropriate in order to give such intended result.
- 8.10.3** No adjustment will be made to the Relevant Price when Shares or other securities (including rights or options) are issued, offered or granted:
- (a) in connection with the issuance of any additional Bonds after the original issue date of the initial tranche of the Refinancing Series B Convertible Bonds;
  - (b) in connection with the Warrants (2016), Warrants (2018-Lenders), Warrants (2018-Shareholders) and Warrants (2018-Securityholders) (including the issue of Shares upon the exercise of such warrants);
  - (c) pursuant to the conversion of the REPS;
  - (d) pursuant to any Employee Share Scheme;
  - (e) in connection with the amendment of the terms and conditions of the Series 008 Securities and the issue of Shares upon exercise of the conversion rights relating to the amended Series 008 Securities; or
  - (f) pursuant to the conversion of the Refinancing Series B Convertible Bonds.
- 8.10.4** No adjustment involving an increase in the Relevant Price will be made, except in the case of a consolidation of the Shares as referred to in **Condition 8.8.1** or to correct a manifest error. For the avoidance of doubt, any reset of the Relevant Price in accordance with **Condition Error! Reference source not found.** may result in the reset Relevant Price to be above the Relevant Price prior to the reset.

**8.10.5** If the Issuer fails to select an Independent Adviser when required for the purposes of **Condition 8.8**, the Refinancing Bonds Trustee may select such an adviser and shall have no liability to any person in respect of such selection.

**8.10.6** For the avoidance of doubt, the Refinancing Bonds Trustee and the Agents shall not be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Relevant Price and will not be responsible to Bondholders for any loss arising from any failure by it to do so. The Refinancing Bonds Trustee and the Agents shall be under no obligation to calculate, determine or verify the number of Shares to be issued upon conversion of the Refinancing Series B Convertible Bonds or verify the Issuer's or the Independent Adviser's determination of such number of Shares or method used in such determination and neither the Refinancing Bonds Trustee nor the Agents shall be responsible to Bondholders or any other person for any loss arising from any failure to do so or for any delay of the Issuer or the Independent Adviser in making such determination or any erroneous determination by the Issuer or the Independent Adviser.

#### **8.11 Notice of reset or change in Relevant Price**

The Issuer shall give notice to the Bondholders in accordance with **Condition 17**, the Refinancing Bonds Trustee, the Agents and the SGX-ST of any reset or change in the Relevant Price as soon as reasonably practicable but in any event no later than three Business Days following such reset or change. Any such notice relating to a reset or change in the Relevant Price shall set forth the occurrence of the Relevant Price Reset Date or the event giving rise to the adjustment, the Relevant Price prior to such reset or adjustment, the reset or adjusted Relevant Price and the effective date of such reset or adjustment.

### **9. Taxation**

**9.1** All payments of principal, premium (if any) and interest made by or on behalf of the Issuer will be made without deduction or withholding for or on account of any present or future taxes, duties, imposts, assessments or governmental charges, deductions or withholdings, of whatever nature imposed, assessed, levied or collected by or on behalf of Singapore or any authority thereof or therein having power to tax ("**Taxes**"), unless deduction or withholding of such Taxes is compelled by law. In such event, the Issuer will pay such additional amounts as will result in the receipt by the Bondholders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been required except that no such additional amount shall be payable in respect of any Refinancing Series A Non-Convertible Bond:

**9.1.1** to a holder (or to a third party on behalf of a holder) who is subject to such Taxes in respect of such Refinancing Series A Non-Convertible Bond by reason of his having some connection with Singapore otherwise than merely by holding the Refinancing Series A Non-Convertible Bond or by the receipt of amounts in respect of the Refinancing Series A Non-Convertible Bond (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore), or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate Governmental Authority which such holder is legally capable and competent of making but fails to do so; or

**9.1.2** (in the case of a payment of principal) if the Certificate in respect of such Refinancing Series A Non-Convertible Bond is surrendered more than thirty (30) days after the relevant date except to the extent that the holder would have been entitled to such additional amount on surrendering the relevant Certificate for payment on the last day of such period of thirty (30) days.



**9.2** For the purposes of the Conditions, “relevant date” means the date on which such payment first becomes due.

**9.3** References in these Conditions to principal, premium and interest shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Refinancing Bonds Trust Deed.

## **10. Prescription**

Claims against the Issuer for payment in respect of the Refinancing Series A Non-Convertible Bonds shall be prescribed and become void unless made within five years (in the case of principal and premium) and five years (in the case of interest) from the relevant date (as defined in **Condition 9.2**) in respect thereof.

## **11. Events of Default**

**11.1** The Refinancing Bonds Trustee in its absolute discretion may, and if so requested in writing by the holders of not less than 25 per cent. in principal amount of the Refinancing Series A Non-Convertible Bonds then outstanding or if so directed by an Extraordinary Resolution shall, give notice to the Issuer that the Refinancing Series A Non-Convertible Bonds are, and they shall accordingly thereby become, immediately due and repayable at 100 per cent. of their principal amount plus accrued interest if any of the following events (each an “**Event of Default**”) has occurred:

**11.1.1** if default is made in the payment of any principal or interest due in respect of the Refinancing Series A Non-Convertible Bonds or any of them and the default continues for a period of more than three days in the case of interest;

**11.1.2** [INTENTIONALLY OMITTED]

**11.1.3** if the Issuer fails to perform or comply with its other obligations under these Conditions or the Refinancing Bonds Trust Deed and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 21 days (or such longer period as the Refinancing Bonds Trustee may permit) next following the service by the Refinancing Bonds Trustee on the Issuer of notice requiring the same to be remedied;

**11.1.4** if any representation, warranty or statement by the Issuer in the Refinancing Bonds Trust Deed or any of the Refinancing Series A Non-Convertible Bonds or in any document delivered under the Refinancing Bonds Trust Deed or any of the Refinancing Series A Non-Convertible Bonds is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and if the event resulting in such non-compliance is, in the opinion of the Refinancing Bonds Trustee, capable of remedy, it is not in the opinion of the Refinancing Bonds Trustee remedied within 21 days (or such longer period as the Refinancing Bonds Trustee may permit) next following the service by the Refinancing Bonds Trustee on the Issuer of notice requiring the same to be remedied;

**11.1.5** (i) any other present or future indebtedness of the Issuer and/or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to their stated maturity by reason of any actual or potential default, event of default or the like (howsoever described) or such event that with the passage of time or the giving of notice would constitute an event of default; (ii) any such indebtedness is not paid when due or, as the case maybe, within any applicable grace period; or (iii) the Issuer and/or any of its Subsidiaries fails to pay when due (after the expiration of any applicable grace period) any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this **Condition 11.1.5** have occurred equals or exceeds S\$10 million or its equivalent in other currencies.

Notwithstanding the above, the phrase “indebtedness of the Issuer and/or any of its Subsidiaries for or in respect of moneys borrowed or raised” shall not include the Series 009 S\$120,000,000 3.65% Committed Funding Backed Notes due 2020, the Series 008 S\$150,000,000 7.50% Subordinated Perpetual Securities, and the Refinancing Series B

Convertible Bonds and Refinancing Series C Non-Convertible Bonds as defined in the Refinancing Bonds Trust Deed;

- 11.1.6** any Encumbrance on or over all or a material part of the assets of the Issuer or any of the Principal Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable;
- 11.1.7** if any order is made by any competent court or effective resolution passed for the winding up or dissolution of the Issuer or any of the Principal Subsidiaries, except (A) for the purposes of a reconstruction, amalgamation, merger, consolidation or reorganisation on terms approved by an Extraordinary Resolution of the Bondholders or (B) in the case of a Principal Subsidiary, where such winding up does not involve insolvency and results in such Principal Subsidiary being able to pay all of its creditors in full;
- 11.1.8** if the Issuer or any of the Principal Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, except (A) for the purposes of a reconstruction, amalgamation, merger, consolidation or reorganisation on terms approved by an Extraordinary Resolution of the Bondholders or (B) in the case of a Principal Subsidiary, where such winding up does not involve insolvency and results in such Principal Subsidiary being able to pay all of its creditors in full, or the Issuer or any of the Principal Subsidiaries stops or threatens to stop payment of all or a material part of its debts as they fall due (other than, in the case of a Principal Subsidiary only, those contested in good faith and by appropriate proceedings), or admits inability to pay all or a material part of its debts as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found insolvent or a moratorium is agreed or declared in respect of, or affecting, all or a material part of the indebtedness of the Issuer or any of the Principal Subsidiaries;
- 11.1.9** if (A) a judicial manager or liquidator (including a provisional liquidator) or other receiver, manager, administrator or other similar official is appointed in relation to the Issuer or any of the Principal Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (B) in any case (other than the appointment of a judicial manager or liquidator (including a provisional liquidator)) is not discharged within 45 days;
- 11.1.10** if the Issuer or any of the Principal Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally;;
- 11.1.11** if at any time any act, condition or thing which is required to be done, fulfilled or performed in order (i) to enable the Issuer lawfully to enter into, exercise its rights under and perform the obligations expressed to be assumed by it under and in respect of the Refinancing Series A Non-Convertible Bonds and the Refinancing Bonds Trust Deed, (ii) to ensure that those obligations are legal, valid, binding and enforceable or (iii) to make the Refinancing Series A Non-Convertible Bonds and the Refinancing Bonds Trust Deed admissible in evidence in the courts of Singapore is not done, fulfilled or performed (unless such condition is no longer required or applicable);
- 11.1.12** if at any time it is or becomes unlawful for the Issuer to perform or comply with any or all of its obligations under or in respect of the Refinancing Series A Non-Convertible Bonds or the Refinancing Bonds Trust Deed or any of the obligations of the Issuer thereunder is not or ceases to be legal, valid and binding; or
- 11.1.13** if any event occurs which under the laws of the relevant jurisdiction has an analogous or equivalent effect to any of the events referred to in **Conditions 11.1.7, 11.1.8, 11.1.9 and 11.1.10**.

**11.2 [INTENTIONALLY OMITTED]**

**11.3** For the purposes of these Conditions:

“**Encumbrance**” includes any mortgage, pledge, lien, hypothecation, security interest or other charge or encumbrance and any other agreement or arrangement having substantially the same economic effect (including any “hold-back” or “flawed asset” arrangement)

“**Indebtedness for Borrowed Money**” means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other debt securities or any borrowed money or any liability under or in respect of any loans, financial leases, acceptance or acceptance credit.

“**Principal Subsidiary**” means any Subsidiary of the Issuer:

- i. whose profits before tax, as shown by the accounts of such Subsidiary (consolidated in the case of a company which itself has Subsidiaries), based upon which the latest audited consolidated accounts of the Issuer and its subsidiaries taken as a whole (the “**Group**”) have been prepared, are at least 15 per cent. of the consolidated profits before tax of the Group as shown by such audited consolidated accounts; or
- ii. whose total assets, as shown by the accounts of such Subsidiary (consolidated in the case of a company which itself has Subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 15 per cent. of the total assets of the Group as shown by such audited consolidated accounts,

provided that if any such Subsidiary (the “**transferor**”) shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another Subsidiary or the Issuer (the “**transferee**”) then:

- (a) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and
- (b) if part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

Any Subsidiary which becomes a Principal Subsidiary by virtue of (a) above or which remains or becomes a Principal Subsidiary by virtue of (b) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the profits before tax or (as the case may be) total assets as shown by the accounts of such Subsidiary (consolidated in the case of a company which itself has Subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 15 per cent. of the consolidated profits before tax or (as the case may be) total assets of the Group, as shown by such audited consolidated accounts. A report by the auditors, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a Subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive.

“**Subsidiary**” means a subsidiary within the meaning of Section 5 of the Companies Act, Chapter 50 of Singapore.

**12. [INTENTIONALLY OMITTED]**

**13. Enforcement**

At any time after the Refinancing Series A Non-Convertible Bonds have become due and repayable, the Refinancing Bonds Trustee may, at its discretion and without further notice, take such proceedings against the Issuer as it may think fit to enforce repayment of the Refinancing Series A Non-Convertible Bonds and to enforce the provisions of the Refinancing Bonds Trust Deed, but it will not be bound to take any such proceedings unless (i) it shall have been so requested in writing by the holders of not less than 25 per cent. in principal amount of the Refinancing Series A Non-Convertible Bonds then

outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Bondholder will be entitled to proceed directly against the Issuer unless the Refinancing Bonds Trustee, having become bound to do so, fails to do so within a reasonable period and such failure is continuing.

## **14. Meetings, Modification and Waiver**

### **14.1 Meetings**

The Refinancing Bonds Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Refinancing Series A Non-Convertible Bonds or the provisions of the Refinancing Bonds Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing in the aggregate a clear majority in principal amount of the Refinancing Series A Non-Convertible Bonds for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Bondholders whatever the principal amount of the Refinancing Series A Non-Convertible Bonds so held or represented unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the dates of redemption of the Refinancing Series A Non-Convertible Bonds or the due date for any payment of interest in respect of the Refinancing Series A Non-Convertible Bonds, (ii) to reduce or cancel the amount of principal, premium, interest or Equivalent Amount payable in respect of the Refinancing Series A Non-Convertible Bonds, (iii) to vary any method of, or basis for, calculating the redemption amount of the Refinancing Series A Non-Convertible Bonds; (iv) to change the currency of payment or the denomination of the Refinancing Series A Non-Convertible Bonds, or (v) to modify the provisions concerning the quorum required at any meeting of the Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing in the aggregate not less than 75 per cent., or at any adjourned such meeting in the aggregate not less than 25 per cent. in principal amount of the Refinancing Series A Non-Convertible Bonds for the time being outstanding. An Extraordinary Resolution passed at any meeting of Bondholders will be binding on all Bondholders, whether or not they are present at the meeting. The Refinancing Bonds Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of Refinancing Series A Non-Convertible Bonds outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

### **14.2 Modification and Waiver**

The Refinancing Bonds Trustee may agree, without the consent of the Bondholders, to (i) any modification (except as mentioned in **Condition 14.1**) to, or the waiver or authorisation of any breach or proposed breach of, the Refinancing Series A Non-Convertible Bonds, the Refinancing Bonds Agency Agreement or the Refinancing Bonds Trust Deed which is not, in the opinion of the Refinancing Bonds Trustee, materially prejudicial to the interests of the Bondholders or (ii) any modification to the Refinancing Series A Non-Convertible Bonds, the Refinancing Bonds Agency Agreement or the Refinancing Bonds Trust Deed which, in the Refinancing Bonds Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver or authorisation will be binding on the Bondholders and, unless the Refinancing Bonds Trustee agrees otherwise, any such modifications will be notified by the Issuer to the Bondholders as soon as practicable thereafter.

Any material modification to the terms of the Refinancing Series A Non-Convertible Bonds which is to the advantage of the Bondholders but is materially prejudicial to the interests of Shareholders shall not be effected without the prior approval of the Shareholders at a general meeting of the Shareholders, unless such modification is made pursuant to the terms of the Refinancing Series A Non-Convertible Bonds.

### **14.3 Interests of Bondholders**

In connection with the exercise of its rights, powers, trusts, authorities or discretions (including but not limited to those in relation to any proposed modification, authorisation, waiver or authorisation of any breach or proposed breach of any of the Conditions or any provisions of the Refinancing Bonds Trust Deed), the Refinancing Bonds Trustee shall have regard to the general interests of the Bondholders as a class and shall not have regard to any interest arising from circumstances particular to individual

Bondholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or otherwise to the tax consequences thereof and no Bondholder shall be entitled to claim from the Issuer or the Refinancing Bonds Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders except to the extent provided for in **Condition 9** and/or in any undertakings given in addition thereto or in substitution therefor pursuant to the Refinancing Bonds Trust Deed.

#### **14.4 Certificates/Reports**

Any certificate or report of any expert or other person called for by or provided to the Refinancing Bonds Trustee (whether or not addressed to the Refinancing Bonds Trustee) in accordance with or for the purposes of these Conditions or the Refinancing Bonds Trust Deed may be relied upon by the Refinancing Bonds Trustee as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate or report and/or engagement letter or other document entered into by the Refinancing Bonds Trustee and/or the Issuer in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof.

#### **15. Replacement of Certificates**

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or any other Agent upon payment by the claimant of such reasonable costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and such Agent may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

#### **16. Refinancing Bonds Trustee**

The Refinancing Bonds Trust Deed contains provisions for the indemnification of the Refinancing Bonds Trustee and for its relief from responsibility, including provisions relieving it from taking any action or proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Refinancing Bonds Trustee is entitled to enter into business transactions with the Issuer or any Subsidiary without accounting for any profit resulting therefrom.

The Refinancing Bonds Trustee may rely without liability to Bondholders on any certificate prepared by the Issuer and accompanied by a certificate or report prepared by an internationally recognised firm of accountants pursuant to these Conditions and/or the Refinancing Bonds Trust Deed, whether or not addressed to the Refinancing Bonds Trustee and whether or not the internationally recognised firm of accountants' liability in respect thereof is limited by a monetary cap or otherwise limited or excluded and shall be obliged to do so where the certificate or report is delivered pursuant to the obligation of the Issuer to procure such delivery under these Conditions; any such certificate or report shall be conclusive and binding on the Issuer, the Refinancing Bonds Trustee and the Bondholders.

*The Refinancing Bonds Trust Deed also provides that each Bondholder shall be solely responsible for making or continuing to make its own independent appraisal and investigation into the financial condition, credit worthiness, conditions, affairs, status and nature of the Issuer, and the Refinancing Bonds Trustee shall not at any time have any responsibility for the same and each Bondholder shall not rely on the Refinancing Bonds Trustee in respect thereof.*

## **17. Notices**

- 17.1** All notices to Bondholders shall be validly given if mailed to them at their respective addresses in the Register maintained by the Registrar or published in a leading English language newspaper having general circulation in Singapore (which is expected to be The Business Times). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which the Refinancing Series A Non-Convertible Bonds are for the time being listed. Notices will, if so published more than once or on different dates or if so published and mailed, be deemed to have been given on the date of the first publication in such newspaper as provided above. Any notice that is given solely by mail and not published will be deemed to have been given on the next Business Day after being so mailed.

*For so long as the Refinancing Series A Non-Convertible Bonds are represented by the Global Certificate and in the case of Bondholders whose Refinancing Series A Non-Convertible Bonds are registered in the name of the Depository, the Issuer shall give such notice or notification at their addresses as shown in the records of the Depository. Any such notice shall be deemed to have been given to the Bondholders on the next Business Day after the date on which the said notice was given to the Depository.*

- 17.2** Notices to be given by any Bondholder shall be in writing and given by lodging the same, together (in the case of any definitive Certificate) with the relevant Certificate, with a Paying Agent.

*Whilst any of the Refinancing Series A Non-Convertible Bonds are represented by the Global Certificate, such notice may also be given by any Bondholder to a Paying Agent through the Depository, in such manner (if any) as such Paying Agent and the Depository may approve for this purpose.*

## **18. Agents**

The name of the Registrar and its specified offices is set out below. The Issuer reserves the right, subject to the prior written approval of the Refinancing Bonds Trustee, at any time to vary or terminate the appointment of any Agent or the Registrar, appoint additional or other Agents or to appoint a replacement Registrar, provided that the Issuer will at all times maintain (a) a Principal Paying Agent having a specified office in Singapore, (b) a Transfer Agent having a specified office in Singapore, and (c) a Registrar which will maintain the Register. Notice of any such termination or appointment, of any changes in the specified office of any Agent or the Registrar and of any change in the identity of the Registrar will be given promptly by the Issuer to the Bondholders in accordance with **Condition 17**.

## **19. Contracts (Rights of Third Parties) Act**

Unless expressly provided for to the contrary in the Refinancing Series A Non-Convertible Bonds or these Conditions, the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore) shall not under any circumstances apply to the Refinancing Series A Non-Convertible Bonds or these Conditions and any person who is not the Issuer or the Bondholder (whether or not such person shall be named, referred to, or otherwise identified, or form part of a class of persons so named, referred to or identified in these Conditions) shall have no right under the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore) to enforce the Refinancing Series A Non-Convertible Bonds or these Conditions.

## **20. Governing Law and Jurisdiction**

The Refinancing Series A Non-Convertible Bonds and the Refinancing Bonds Trust Deed are governed by, and shall be construed in accordance with, the laws of Singapore. In relation to any claim, legal action or proceeding arising out of or in connection with the Refinancing Series A Non-Convertible Bonds, each of the Bondholders and the Issuer hereby irrevocably submits to the exclusive jurisdiction of the courts of Singapore. The courts of Singapore are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Refinancing Series A Non-Convertible Bonds and accordingly any legal action or proceedings arising out of or in connection with the Refinancing Series A Non-Convertible Bonds may be brought in such courts.

**Appendix E-2**

**Terms and Conditions of the Refinancing Series B Convertible Bonds**

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## TERMS AND CONDITIONS OF THE REFINANCING SERIES B CONVERTIBLE BONDS

*The following, other than the words in italics, is the text of the terms and conditions of the Refinancing Series B Convertible Bonds which will be attached to each of the definitive certificates (if issued) evidencing the Refinancing Series B Convertible Bonds:*

The issue of Refinancing Series B 0.25 per cent. convertible bonds due 2023 (the “**Refinancing Series B Convertible Bonds**”) by Ezion Holdings Limited (the “**Issuer**”) was authorised by the board of directors of the Issuer on [DATE]. The Refinancing Series B Convertible Bonds are constituted by a refinancing bonds trust deed ((as amended and supplemented from time to time) the “**Refinancing Bonds Trust Deed**”) dated [DATE] (the “**Issue Date**”) made between the Issuer and [TRUSTEE] as trustee for, *inter alia*, the holders of the Refinancing Series B Convertible Bonds (the “**Refinancing Bonds Trustee**”, which term shall, where the context so permits, include all other person or company for the time being acting as trustee or trustees under the Refinancing Bonds Trust Deed). The Issuer has entered into a paying, conversion and transfer agency agreement relating to, *inter alia*, the Refinancing Series B Convertible Bonds dated [DATE] (the “**Refinancing Bonds Agency Agreement**”) with the Refinancing Bonds Trustee, [PAYING AGENT] as principal paying, conversion and transfer agent (the “**Principal Paying Agent**”), [REGISTRAR] as registrar (the “**Registrar**” and, together with the Principal Paying Agent, the “**Agents**”) relating to the Refinancing Series B Convertible Bonds. These Conditions include summaries of, and are subject to, the detailed provisions of the Refinancing Bonds Trust Deed, which includes the form of the Refinancing Series B Convertible Bonds. Unless otherwise defined, terms used in these Conditions have the meaning specified in the Refinancing Bonds Trust Deed. Copies of the Refinancing Bonds Trust Deed, the Refinancing Bonds Agency Agreement and the deed of covenant (the “**Deed of Covenant**”) dated the Issue Date executed by the Issuer relating to the Refinancing Series B Convertible Bonds are available for inspection during the usual business hours at the principal office for the time being of the Principal Paying Agent (presently at [ADDRESS]). The holders of the Refinancing Series B Convertible Bonds are entitled to the benefit of and are bound by all the provisions of the Refinancing Bonds Trust Deed and Deed of Covenant, and are deemed to have notice of all the provisions of the Refinancing Bonds Trust Deed, the Refinancing Bonds Agency Agreement and Deed of Covenant applicable to them.

### **1. Status**

The Refinancing Series B Convertible Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Refinancing Series B Convertible Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unsubordinated and unsecured obligations.

### **2. Form, denomination and title**

#### **2.1 Form and denomination**

The Refinancing Series B Convertible Bonds are issued in registered form in the denomination of S\$50,000 and integral multiples of S\$50,000 in excess thereof. A bond certificate (each a “**Certificate**”) will be issued to each Bondholder in respect of its registered aggregate holding of Refinancing Series B Convertible Bonds. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders which the Issuer will procure to be kept by the Registrar.

*Upon issue, the Refinancing Series B Convertible Bonds will be represented by a global certificate registered in the name of the Depository and deposited with the Depository. Refinancing Series B Convertible Bonds which are represented by the global certificate will be transferable only in accordance with the rules and procedures for the time being of the Depository. Certificates in definitive form for individual holdings of Refinancing Series B Convertible Bonds will not be issued except if (a) an event of default, enforcement event or analogous event entitling an Accountholder (as defined below) or the Refinancing Bonds Trustee to declare the Refinancing Series B Convertible Bonds due and payable as provided in these Conditions has occurred and is continuing, or (b) the Depository is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), announces an intention to permanently cease business or has notified the Issuer that it is*



unable or unwilling to act as depository for the Refinancing Series B Convertible Bonds and to continue performing its duties set out in its terms and conditions for the provision of depository services, and in each case where no alternative clearing system is available.

## 2.2 Title

Title to the Refinancing Series B Convertible Bonds passes only by transfer and registration in the register of Bondholders (the “**Register**”) as described in **Condition 3**. The holder of any of the Refinancing Series B Convertible Bonds will (except as otherwise required by law or ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, “**Bondholder**” and (in relation to the Refinancing Series B Convertible Bonds) “**holder**” means the person in whose name the Refinancing Series B Convertible Bonds are registered in the Register.

*For so long as any of the Refinancing Series B Convertible Bonds is represented by the Global Certificate and the Global Certificate is registered in the name of the Depository, each person who is for the time being shown in the records of the Depository as the holder of a particular principal amount of such Refinancing Series B Convertible Bonds (in which regard any certificate or other document issued by the Depository as to the principal amount of such Refinancing Series B Convertible Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Principal Paying Agent, all other agents of the Issuer and the Refinancing Bonds Trustee as the holder of such principal amount of Refinancing Series B Convertible Bonds other than with respect to the payment of principal, premium and any other amounts in respect of the Refinancing Series B Convertible Bonds, for which purpose the person whose name is shown on the Register as the holder of the Global Certificate shall be treated by the Issuer, the Principal Paying Agent, all other agents of the Issuer and the Refinancing Bonds Trustee as the holder of such Refinancing Series B Convertible Bonds in accordance with and subject to the terms of the Global Certificate (and the expression “Bondholder” and related expressions shall be construed accordingly). Refinancing Series B Convertible Bonds which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of the Depository. For so long as any of the Refinancing Series B Convertible Bonds is represented by the Global Certificate and the Global Certificate is held by the Depository, the payment of principal, interest and any other amounts in respect of the Refinancing Series B Convertible Bonds shall be made by the Depository to the persons shown in the records of the Depository as the holder of Refinancing Series B Convertible Bonds in accordance with the rules and procedures for the time being of the Depository and the record date for the purposes of determining entitlements to any payment of principal, interest and any other amounts in respect of the Refinancing Series B Convertible Bonds shall, unless otherwise specified by the Issuer, be the date falling five business days prior to the relevant payment date (or such other date as may be prescribed by the Depository from time to time).*

*In these Conditions, “Global Certificate” means the global Certificate representing the Refinancing Series B Convertible Bonds, or some of them, substantially in the form set out in Schedule [2] of the Refinancing Bonds Trust Deed and “Bondholder” and (in relation to the Refinancing Series B Convertible Bonds) “holder” means the person in whose name the Refinancing Series B Convertible Bonds registered.*

## 3. Transfers of Refinancing Series B Convertible Bonds; Issue of Certificates

### 3.1 Register

The Issuer will cause the Register to be kept at the specified office of the Registrar, and in accordance with the terms of the Refinancing Bonds Agency Agreement, on which shall be entered the names and addresses of the holders of the Refinancing Series B Convertible Bonds and the particulars of the Refinancing Series B Convertible Bonds held by them and of all transfers of the Refinancing Series B Convertible Bonds. Each Bondholder shall be entitled to receive only one Certificate in respect of its entire holding of Refinancing Series B Convertible Bonds.

### 3.2 Transfers

Subject to **Condition 3.5** and the terms of the Refinancing Bonds Agency Agreement, the Refinancing Series B Convertible Bonds may be transferred by delivery of the Certificate issued in respect of those

Bonds, together with the form of transfer on the back duly completed and signed under the hand of the holder or his attorney duly authorised in writing (a copy of such authorisation to be attached to the form of transfer), to the specified office of the Registrar or any of the Agents. No transfer of title to Refinancing Series B Convertible Bonds will be valid unless and until entered on the Register.

*Transfers of interests in Bonds evidenced by the Global Certificate will be effected in accordance with the rules of the Depository.*

### **3.3 Delivery of New Certificates**

**3.3.1** Each new Certificate to be issued upon a transfer or exchange of Refinancing Series B Convertible Bonds will, within seven Business Days of receipt by the Registrar or, as the case may be, any other relevant Agent of the original Certificate and the form of transfer duly completed and signed, be made available for collection at the specified office of the Registrar or such other relevant Agent or, if so requested in the form of transfer, be mailed by registered mail at the risk of the holder entitled to the Refinancing Series B Convertible Bonds (but free of charge to the holder) to the address specified in the form of transfer. The form of transfer is available at the specified office of the Registrar.

*Except in limited circumstances described above, owners of interests in the Refinancing Series B Convertible Bonds represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of Refinancing Series B Convertible Bonds.*

**3.3.2** Where only part of a principal amount of the Refinancing Series B Convertible Bonds in respect of which a Certificate is issued is to be transferred, converted or redeemed, a new Certificate in respect of the Refinancing Series B Convertible Bonds not so transferred, converted or redeemed will, within seven Business Days of delivery of the original Certificate to the Registrar, be made available for collection at the specified office of the Registrar or, if so requested in the form of transfer, be mailed by registered mail at the risk of the holder of the Refinancing Series B Convertible Bonds not so transferred, exchanged or converted (but free of charge to the holder) to the address of such holder appearing on the Register, provided that the principal amount to be transferred and the principal amount not so transferred each has a denomination of S\$50,000 and integral multiples of S\$50,000 in excess thereof.

**3.3.3** For the purposes of these Conditions (except for **Condition 7**), “**Business Day**” shall mean a day other than a Saturday or Sunday or a public holiday on which banks are open for business in the country in which the specified office of the Registrar (if a Certificate is deposited with it in connection with a transfer, conversion or redemption) or the Agent with whom a Certificate is deposited in connection with a transfer or conversion, is located.

### **3.4 Formalities free of charge**

Registration of a transfer of Refinancing Series B Convertible Bonds will be effected without charge by or on behalf of the Issuer or the Registrar (as the case may be) but upon (i) payment (or the giving of such indemnity as the Issuer or the Registrar (as the case may be) may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer, (ii) the Issuer or the Registrar (as the case may be) being satisfied that the regulations concerning transfer of Refinancing Series B Convertible Bonds have been complied with and (iii) receipt by the Registrar of such evidence as it may require.

### **3.5 Closed periods**

No Bondholder may require the transfer of Refinancing Series B Convertible Bonds to be registered (i) during the period of 15 days ending on (and including) the date for payment of any principal pursuant to the Conditions (including the Maturity Date), (ii) during the period of 15 days ending on (and including) the date for redemption pursuant to **Conditions 8.2, 8.3 or 8.4**, (iii) after a Conversion Notice (as defined in **Condition 6.2**) has been delivered with respect to such Refinancing Series B Convertible Bonds or (iv) during the period of 15 days ending on (and including) any Interest Record Date (as defined in **Condition 7.1.2**), each such period being a “**Closed Period**”.

### 3.6 Regulations

All transfers of Refinancing Series B Convertible Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Refinancing Series B Convertible Bonds scheduled in the Refinancing Bonds Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Refinancing Bonds Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge to the relevant Bondholder) by the Registrar to any Bondholder upon request.

## 4. [INTENTIONALLY OMITTED]

## 5. Interest

### 5.1 Interest Rate and Accrual

The Refinancing Series B Convertible Bonds bear interest with respect to each Interest Period on its outstanding principal amount from [DATE OF FIRST EXTRAORDINARY RESOLUTION NO. 1] (the “**Interest Commencement Date**”) at the rate of 0.25 per cent. per annum (the “**Interest Rate**”) such interest payable semi-annually in arrear on [●] and [●] of each year beginning on [●] 2018 (each, an “**Interest Payment Date**”). Unless previously converted or redeemed, the Refinancing Series B Convertible Bonds will cease to bear interest on the Maturity Date, save for any amount payable in accordance with **Condition 5.2**.

For the purposes of these Conditions, “**Interest Period**” means the period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including an Interest Payment Date to but excluding the next succeeding Interest Payment Date.

### 5.2 Cessation of Interest

The Refinancing Series B Convertible Bonds will cease to bear interest:

**5.2.1** (subject to **Condition 6.2.4**) where the Conversion Right attached to it shall have been exercised, from and including the Interest Payment Date last preceding its Conversion Date (as defined in **Condition 6.2.1(b)**) (or if such Conversion Date falls on or before the first Interest Payment Date, the Issue Date) subject to conversion of the relevant Bonds in accordance with the provisions of **Condition 6.2**; or

**5.2.2** from the due date for redemption thereof unless, upon surrender in accordance with **Condition 8**, payment of the full amount due is improperly withheld or refused or default is otherwise made in respect of any such payment. In such event, interest will continue to accrue at the applicable per annum rate specified in **Condition 5.1** (after as well as before judgment) up to but excluding the date on which all sums due in respect of the Refinancing Series B Convertible Bonds are received by or on behalf of the relevant holder.

### 5.3 Day Count Fraction

If interest with respect of a period is required to be calculated for a period of less than one year, it will be calculated on the basis of the actual number of days elapsed and a 365-day year (the “**Day Count Fraction**”). Any interest payable under this Condition will be paid in accordance with **Condition 7.1**.

## 6. Conversion

### 6.1 Conversion Right

**6.1.1** *Conversion Period:* Subject as hereinafter provided, Bondholders have the right to convert their Bonds into new Shares at any time during the Conversion Period referred to below.

(a) The right of a Bondholder to convert the Refinancing Series B Convertible Bonds into Shares is called the “**Conversion Right**”. Subject to and upon compliance with the provisions of this Condition, the Conversion Right attaching to the Refinancing Series B Convertible Bonds may be exercised, at the option of the holder thereof, at any time after the Issue Date up to the close of business (at the place where the Certificate evidencing such Refinancing Series B Convertible Bonds is deposited for

conversion) on [●] 2022 (the “**Expiration Date**”) or, if such Refinancing Series B Convertible Bonds shall be called for redemption prior to the Expiration Date, then up to the close of business (at the place where the Certificate evidencing such Refinancing Series B Convertible Bonds is deposited for conversion) on a date no later than seven Business Days prior to the date fixed for redemption thereof (the “**Conversion Period**”), provided that the Conversion Right during any Closed Period shall be suspended and the Conversion Period shall not include any such Closed Period. If the final date on which the Conversion Right may be exercised is not a Business Day at the place aforesaid, then the period for the exercise of the Conversion Right by Bondholders shall end on the immediately following Business Day at the place aforesaid.

- (b) Notwithstanding the foregoing, if the Conversion Date (as defined in **Condition 6.2.1**) in respect of the Refinancing Series B Convertible Bonds would otherwise fall during a period in which the register of members of the Issuer is closed generally or for the purpose of establishing entitlement to any dividend, distribution or other rights attaching to the Shares (a “**Book Closure Period**”), such Conversion Date shall be postponed to the first Trading Day (as defined in **Condition 6.2**) after the expiry of such Book Closure Period. Any exercise of a Conversion Right shall be deemed to be ineffective and shall be deemed to have expired if, as a result of any postponement pursuant to this Condition, the Conversion Date would fall on a day after expiry of the Conversion Period or, in the case of the exercise of such rights as aforesaid, after the relevant redemption date. The Issuer undertakes to ensure that the Book Closure Period is as short a period as is reasonably practicable, having regard to applicable Singapore law.
- (c) The number of Shares to be issued on conversion of Refinancing Series B Convertible Bonds will be determined by dividing the principal amount of the Refinancing Series B Convertible Bonds to be converted by the Conversion Price (as hereinafter defined) in effect at the Conversion Date (as hereinafter defined). Following conversion in accordance with these Conditions, the rights of the converting Bondholder in respect of such Refinancing Series B Convertible Bonds shall be extinguished and released, and in consideration and in exchange therefor, the Issuer shall allot and issue Shares credited as paid-up in full as provided in this Condition. A Conversion Right may only be exercised in respect of Refinancing Series B Convertible Bonds in a minimum denomination of S\$50,000 and integral multiples of S\$50,000 in excess thereof. In relation to any of the Refinancing Series B Convertible Bonds held by a holder that are being converted at any one time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Refinancing Series B Convertible Bonds to be converted.

**6.1.2** *Fractions of Shares:* Fractions of Shares will not be issued on conversion and no cash adjustments will be made in respect thereof.

**6.1.3** *Conversion Price:* Subject to **Condition 6.1.4**, the price at which Shares will be issued upon conversion (the “**Conversion Price**”) of the Refinancing Series B Convertible Bonds will initially be S\$0.2763 per Share, subject to adjustment in the manner provided in **Condition 6.4** (the initial Conversion Price as so adjusted from time to time, the “**Minimum Conversion Price**”). The Conversion Price shall be subject to being reset in accordance with **Condition 6.3**.

**6.1.4** *Discounted Conversion Price:* Notwithstanding **Condition 6.1.3** above, solely during the period beginning on the original issue date of the Refinancing Series B Convertible Bonds to and including the date that is 60 days after such issue date, the Conversion Price shall be S\$0.2487 per Share (which represents a 10.0 per cent. discount to the Minimum Conversion Price) (the “**Discounted Conversion Price**”)

**6.1.5** *Bonus Warrants:* If a holder exercises the Conversion Rights with respect to S\$50,000 in principal amount of Refinancing Series B Convertible Bonds and each S\$50,000 in principal amount in excess thereof on or prior to the date that is 60 days after the issue date, the Issuer shall, at the same time that it delivers Shares to be issued upon the exercise of such

Conversion Right, also issue to such holder 50,000 Warrants (2018-Securityholders) for every S\$50,000 principal amount of Refinancing Series B Convertible Bonds so converted. If such conversion occurs after 60 days but on or prior to the date that is six months after such issue date, the Issuer will issue 25,000 Warrants (2018-Securityholders) for every S\$50,000 principal amount of Refinancing Series B Convertible Bonds so converted. For the avoidance of doubt, a holder who exercises the Conversion Rights after such periods, will not be eligible to receive any Warrants (2018-Securityholders).

**6.1.6** *Meaning of “Share”*: As used in these Conditions, the expression “**Share**” means an ordinary share of the Issuer.

## **6.2 Conversion procedure**

### **6.2.1** *Conversion notice*:

- (a) To exercise the Conversion Right attaching to any of the Refinancing Series B Convertible Bonds, the holder thereof must complete, execute and deposit at his own expense between 9.00 am and 3.00 pm on a Business Day in Singapore at the specified office of any Conversion Agent a duly completed irrevocable notice of conversion and the relevant certifications set forth therein (a “**Conversion Notice**”) in duplicate in the form (for the time being current) obtainable from the specified office of each Agent, together with the relevant Certificate and any amounts required to be paid by the Bondholder under **Condition 6.2.2**.
- (b) The conversion date in respect of the Refinancing Series B Convertible Bonds (the “**Conversion Date**”) must fall at a time when the Conversion Right attaching to those Bonds is expressed in these Conditions to be exercisable and will, if deposited 9.00 am and 3.00 pm in accordance with paragraph (a) above, be deemed to be the date of the surrender of the Certificate in respect of such Refinancing Series B Convertible Bonds and receipt of such Conversion Notice and, if applicable, any payment to be made or indemnity given under these Conditions in connection with the exercise of such Conversion Right. A Conversion Notice once delivered shall be irrevocable. The Issuer or the Conversion Agent on its behalf, may reject any Conversion Notice which is, in its opinion, incorrect or incomplete in any material respect. All costs and expenses incurred or caused by a Conversion Notice which is, in the opinion of the Issuer or the Conversion Agent, incorrect or incomplete in any material respect shall be for the account of the relevant Bondholder.

Upon exercise of a Conversion Right, a Bondholder converting Bonds shall be required to represent and agree, in the Conversion Notice, certain matters with respect to the beneficial ownership of the Refinancing Series B Convertible Bonds and the Shares.

*Subject to the requirements of the Depository, the Conversion Right attaching to the Refinancing Series B Convertible Bonds represented by the Global Certificate may be exercised by the presentation to or to the order of the Conversion Agent of one or more Conversion Notices duly completed by or on behalf of each person who is for the time being shown in the records of the Depository as the holder of a particular principal amount of Refinancing Series B Convertible Bonds (each an “**Accountholder**”). Deposit of the Global Certificate with the Conversion Agent together with the relevant Conversion Notice shall not be required. In such a case, the delivery of the Conversion Notice in respect of the Refinancing Series B Convertible Bonds to be converted will constitute or be deemed to constitute confirmation by the relevant Accountholder that the information and representations in the Conversion Notice are true and accurate on the date of delivery. The exercise of the Conversion Right shall be notified by the Conversion Agent to the holder of the Global Certificate.*

*Any exercise of the Conversion Right attaching to the Refinancing Series B Convertible Bonds represented by the Global Certificate shall be further conditional on that principal amount of Refinancing Series B Convertible Bonds so exercised being available in the “Free Balance” of the securities account(s) of the exercising Bondholder with the Depository until the relevant Conversion Date and on the exercising Bondholder electing in the Conversion Notice to have the delivery of the Shares allotted and issued on conversion of the relevant Bonds to be*

*effected by crediting such Shares to the securities account(s) of the exercising Bondholder, failing which the Conversion Notice shall be void and all rights of the exercising Bondholder and of any other person thereunder shall cease.*

- 6.2.2** *Stamp Duty & Registration Fees etc.:* A Bondholder delivering a Certificate in respect of Refinancing Series B Convertible Bonds for conversion must pay any taxes and capital, stamp, issue and registration duties arising on conversion (other than any taxes or capital or stamp or issue or registration duties payable in Singapore by the Issuer in respect of the allotment and issue of Shares (including any amounts payable in relation to the allotment and registration of the Shares in the name of the Depository for credit to the securities account designated for the purpose in the Conversion Notice and the certificate evidencing the Shares issued to the Depository for that purpose with the Depository) and listing of the Shares on the SGX-ST on conversion, which shall be borne by the Issuer) (the “**Taxes**”) and such Refinancing Series B Convertible Bondholder must pay all, if any, Taxes arising by reference to any disposal or deemed disposal of Refinancing Series B Convertible Bonds in connection with such conversion.

The Issuer will pay all other expenses arising from the issue of Shares on conversion of Refinancing Series B Convertible Bonds. None of the Issuer and the Agents is under any obligation to determine whether a Bondholder is liable to pay any Taxes, including capital, stamp, issue, registration or similar taxes and duties or the amounts payable (if any) in connection with this Condition and the Agent shall not be responsible or liable for any failure by the Bondholder and/or the Issuer to pay such Taxes and duties in connection with this Condition. None of the Issuer, the Refinancing Bonds Trustee or the Agents shall be responsible or liable in any way to anyone for any failure or omission by the Bondholders to pay the Taxes.

**6.2.3** *Registration:*

- (a) Not later than seven Trading Days after the Conversion Date, the Issuer will, in the case of Refinancing Series B Convertible Bonds converted on exercise of the Conversion Right and in respect of which a duly completed Conversion Notice has been delivered and the relevant Certificate and amounts payable by the relevant Bondholder deposited and paid as required by **Condition 6.2.1**:
- (i) procure that the relevant number of Shares are allotted to and registered in the name of the Depository for credit to the securities account designated for the purpose in the Conversion Notice for so long as the Shares are listed on the SGX-ST; or
  - (ii) if the Shares are not listed on the SGX-ST, allot to, and register the person or persons designated for the purpose in the Conversion Notice as holder(s) of, the relevant number of Shares in the register of Shareholders,

together (in either case) with the certificate evidencing the Shares issued in favour of the Depository or such person or persons, as the case may be, and any other securities (including, where applicable, a certificate representing the Warrants (2018-Securityholders) to which a holder may be entitled), property or cash required to be delivered upon conversion and such assignments and other documents (if any) as may be required by law to effect the transfer thereof.

- (b) If the Conversion Date in relation to the Refinancing Series B Convertible Bonds shall be on or after a date with effect from which an adjustment to the Conversion Price takes retroactive effect pursuant to any of the provisions referred to in **Condition 6.4** and the relevant Registration Date (as defined below) falls on a date when the relevant adjustment has not yet been reflected in the then current Conversion Price, the provisions of this Condition shall be applied *mutatis mutandis* to such number of Shares as is equal to the excess of the number of Shares which would have been required to be issued on conversion of such Refinancing Series B Convertible Bonds if the relevant retroactive adjustment had been effected as at the

said Registration Date over the number of Shares previously issued (or which the Issuer was previously bound to issue) pursuant to such conversion.

- (c) The person or persons designated in the Conversion Notice will become the holder of record of the number of Shares issuable upon conversion with effect from the date he is or they are registered as such in the register of Shareholders or (if the Shares are quoted on the SGX-ST) the date he is or they are registered in the Depository Register (as defined in the Companies Act, Chapter 50 of Singapore), as the case may be (the “**Registration Date**”). The Shares issued upon conversion of the Refinancing Series B Convertible Bonds will in all respects rank *pari passu* with the Shares in issue on the relevant Registration Date. Save as set out in these Conditions, a holder of Shares issued on conversion of Refinancing Series B Convertible Bonds shall not be entitled to any rights the record date for which precedes the relevant Registration Date. Refinancing Series B Convertible Bonds which are duly converted will be cancelled on the relevant Registration Date.
- (d) To the extent and as provided for in this **Condition 6.2.3(d)**, Shares allotted and issued on conversion will, with effect from the relevant Conversion Date, rank for any dividends, rights allotments or other distributions, the Record Date for which is on or after the relevant Conversion Date and (subject as aforesaid) will rank *pari passu* in all respects with the then existing Shares of the Issuer. For the purpose of these Conditions, “**Record Date**” means in relation to any dividends, rights, allotments or other distributions, the date on which Shareholders must be registered in order to participate in such dividends, rights, allotments or other distributions. If the Record Date for the payment of any dividend or other distribution in respect of the Shares is on or after the Conversion Date in respect of any Refinancing Series B Convertible Bonds, but before the Registration Date (disregarding any retroactive adjustment of the Conversion Price referred to in this **Condition 6.2.3** prior to the time such retroactive adjustment shall have become effective), the Issuer will pay to the converting Bondholder or his designee an amount (the “**Equivalent Amount**”) in Singapore Dollars equal to any such dividend or other distribution to which he would have been entitled had he on that Record Date been such a Shareholder of record and will make the payment at the same time as it makes payment of the distribution, or as soon as practicable thereafter, but, in any event, not later than seven days thereafter. The Equivalent Amount shall be paid by transfer to the registered account of the Bondholder or by Singapore Dollar cheque drawn on a bank in Singapore mailed to the registered address of the Bondholder if it does not have a registered account at the risk of such converting Bondholder or his designee.

**6.2.4 Interest on Redemption:** If any notice requiring the redemption of the Refinancing Series B Convertible Bonds is given pursuant to **Condition 8.2** or **Condition 8.3** during the period beginning on the 15th day prior to the Record Date in respect of any dividend or distribution payable in respect of the Shares and ending on the Interest Payment Date next following such Record Date, where such notice specifies a date for redemption falling on or prior to the date which is 14 days after such next following Interest Payment Date, interest shall (subject to **Condition 4** and hereinafter) accrue on Bonds where Certificates have been delivered for conversion and in respect of which the Conversion Date falls after such Record Date and on or prior to the Interest Payment Date next following such Record Date from the preceding Interest Payment Date (or, if the relevant Conversion Date falls on or before the first Interest Payment Date, from (and including) the Issue Date to (but excluding) the relevant Conversion Date); provided that no such interest shall accrue on any of the Refinancing Series B Convertible Bonds in the event that the Shares issued on conversion thereof shall carry an entitlement to receive such interest or in the event the Refinancing Series B Convertible Bonds carry an entitlement to receive an Equivalent Amount.

### **6.3 Conversion Price Reset**

The Conversion Price shall be reset on [●] and [●] each year beginning from [●] 2018 (each, a “**Conversion Price Reset Date**”) by the Issuer to a price that represents the six-month volume weighted average price of the Shares prior to each Conversion Price Reset Date, rounded down to the nearest S\$0.0001, provided that if such a price is lower than the Minimum Conversion Price, the

Conversion Price effective from such Conversion Price Reset Date shall be the Minimum Conversion Price.

For the avoidance of doubt, if Shares are delivered in accordance with Condition **6.2.3** on a date that occurs on or after a Conversion Price Reset Date but the Conversion Date occurs before such Conversion Price Reset Date, the applicable Conversion Price for such conversion shall be the Conversion Price in effect before such Conversion Price Reset Date.

#### **6.4 Adjustments to Conversion Price**

The Conversion Price will be subject to adjustment in the following events:

**6.4.1** *Consolidation, Subdivision or Reclassification:* If and whenever there shall be an alteration to the number of Shares in issue as a result of consolidation, subdivision or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Shares in issue immediately before such alteration;  
and

B is the aggregate number of Shares in issue immediately after such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

**6.4.2** *Capitalisation of profits or reserves:*

(i) If and whenever the Issuer shall issue any Shares credited as fully paid to the holders of the Shares (the “**Shareholders**”) by way of capitalisation of profits or reserves, including Shares paid up out of distributable profits or reserves (including a free distribution or bonus issue of Shares) other than a Scrip Dividend and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Shares in issue immediately before such issue;  
and

B is the number of Shares in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of the Shares, or if a Record Date is fixed therefor, immediately after such Record Date.

(ii) In the case of an issue of Shares by way of a Scrip Dividend where the Current Market Price (as defined in **Condition 6.5.3**) of such Shares on the last full Trading Day preceding the date of announcement of the terms of such issue exceeds the amount of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A + B}{A + C}$$

where:



- A is the aggregate number of Shares in issue immediately before such Scrip Dividend;
- B is the aggregate number of Shares issued by way of such Scrip Dividend multiplied by a fraction which (i) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash Dividend and (ii) the denominator is such Current Market Price of the Shares issued by way of Scrip Dividend in respect of each existing Share in lieu of the whole, or the relevant part, of the Relevant Cash Dividend; and
- C is the aggregate number of Shares issued by way of such Scrip Dividend.

or by making such other adjustment to the Conversion Price to give effect to the foregoing as an Independent Adviser shall certify to the Refinancing Bonds Trustee is fair and reasonable.

Such adjustment shall become effective on the date of issue of such Shares or if a Record Date is fixed therefor, immediately after such Record Date.

- 6.4.3** *Capital Distribution:* If and whenever the Issuer shall pay or make any Capital Distribution to the Shareholders (except where the Conversion Price falls to be adjusted under **Condition 6.4.2** above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the last full Trading Day preceding the date on which the Capital Distribution is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the Capital Distribution attributable to one Share.

Such adjustment shall become effective on the date that such Capital Distribution is made, or if a Record Date is fixed therefor, immediately after such Record Date.

- 6.4.4** *Rights Issues of Shares or Options over Shares:* If and whenever the Issuer shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, in each case at less than 90 per cent. of the Current Market Price per Share on the last full Trading Day preceding the date of the announcement of the terms of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the aggregate number of Shares in issue immediately before such announcement;

- B is the number of Shares which the aggregate amount (if any) receivable for the Shares issued by way of rights or for the options or warrants or other rights issued by way of rights and for the total number of Shares comprised therein would subscribe for, purchase or otherwise acquire at such Current Market Price per Share; and
- C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant of such rights, options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be), or if a Record Date is fixed therefor, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be on the Relevant Stock Exchange.

**6.4.5** *Rights Issues of Other Securities:* If and whenever the Issuer shall issue any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares) to all or substantially all Shareholders as a class by way of rights, or grant to all or substantially all Shareholders as a class, by way of rights, any options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the last full Trading Day preceding the date on which such issue or grant is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be), or if a Record Date is fixed therefor, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be on the Relevant Stock Exchange.

**6.4.6** [INTENTIONALLY OMITTED]

**6.4.7** [INTENTIONALLY OMITTED]

**6.4.8** [INTENTIONALLY OMITTED]

**6.4.9** *Other Offers to Shareholders:* If and whenever the Issuer or any Subsidiary or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary) any other company, person or entity issues, sells or distributes any securities in connection with which an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under **Conditions 6.4.4** or **6.4.5**), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the last full Trading Day preceding the date on which such issue is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue, sale or delivery of the securities.

**6.4.10** *Other Events*: In the event any adjustment to the Conversion Price is proposed or required to be made as a result of one or more events or circumstances not referred to in this **Condition 6.4**, the Issuer shall at its own expense request an Independent Adviser to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect and upon such determination by the Independent Adviser such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that where the events or circumstances giving rise to any adjustment pursuant to this **Condition 6.4** have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this **Condition 6.4** as may be advised by the Independent Adviser to be in its opinion appropriate to give the intended result. The Issuer in exercising or making any discretion, consideration or determination (if applicable) shall, subject to any changes to, supplements, modifications and/or amendments of the accounting standards applicable to the Issuer from time to time, take into account or have reference to the general principle and intent, which is based on accounting standards applicable to the Issuer as at the date of execution of this Agreement, that such adjustment shall, to the extent possible or permitted, be made in such manner such that the per Share value of such adjustment cannot exceed the per Share value of the dilution to the Shareholder's interest in the equity of the Issuer (based on the Shares comprised in the unexercised options held by such Shareholder) which would otherwise result from the relevant transaction or event (as contemplated under the relevant Condition) giving rise to such adjustment.

## **6.5 Definitions**

In these Conditions:

- 6.5.1** “**Capital Distribution**” means (i) any distribution of assets *in specie* by the Issuer for any financial period whenever paid or made and however described (and for these purposes a distribution of assets *in specie* includes without limitation an issue of Shares or other securities credited as fully or partly paid (other than Shares credited as fully paid to the extent an adjustment to the Conversion Price is made in respect thereof under **Condition 6.4.2(i)**) by way of capitalisation of reserves, but excludes a Scrip Dividend to the extent an adjustment to the Conversion Price is made in respect thereof under **Condition 6.4.2(ii)**), and (ii) any cash dividend or distribution of any kind by the Issuer relating to the Shares for any financial period whenever paid or made and however described, including (without limitation) any Scrip Dividend to the extent of the Relevant Cash Dividend, excluding any dividend or distribution for that financial period to the extent that it does not (when taken together with any other Relevant Cash Dividends previously made or paid in respect of that financial period) exceed 20 per cent. of the Market Capitalisation of the Issuer at the time of announcement of such Relevant Cash Dividend, for each such financial period.
- 6.5.2** “**Closing Price**” for the Shares for any Trading Day shall be the closing market price quoted by the SGX-ST for such Trading Day.
- 6.5.3** “**Current Market Price**” means, in respect of a Share at a particular time on a particular date, the average of the daily Closing Price quoted by the SGX-ST for one Share for the five consecutive Trading Days ending on and including the Trading Day immediately preceding such date; provided that if at any time during the said five Trading Day period the Shares shall have been quoted ex-dividend (or ex-any other entitlement) and during some other part of that period the Shares shall have been quoted cum-dividend (or cum-any other entitlement) then:
- (i) if the Shares to be issued, transferred or delivered in such circumstances do not rank for the dividend (or other entitlement) in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend (or cum-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of the amount of that dividend (or other entitlement) per Share; or

- (ii) if the Shares to be issued, transferred or delivered in such circumstances rank for the dividend (or other entitlement) in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend (or ex-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of the amount of that dividend (or other entitlement) per Share,

and provided further that if the Shares on each of the said five Trading Days have been quoted cum-dividend (or cum-any other entitlement) in respect of a dividend (or other entitlement) which has been declared or announced but the Shares to be issued, transferred or delivered do not rank for that dividend (or other entitlement), the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend (or other entitlement) per Share.

- 6.5.4** “**Employee Share Scheme**” means any scheme involving the issue, offer or grant (with or without consideration) by the Issuer or any of its Subsidiaries of rights or options over Shares or other securities of the Issuer or any of its Subsidiaries to, or for the benefit of, specified participants (including, without limitation, employees (including directors) or former employees of the Issuer, its Subsidiaries and/or associated companies, or persons related to such employees (including directors) and former employees) of such schemes or any arrangement involving the issue, offer or grant of rights or options (with or without consideration) to participants over Shares or other securities of the Issuer or any of its Subsidiaries which is analogous to an Employee Share Scheme provided such scheme is in compliance with the listing rules of the SGX-ST.
- 6.5.5** “**Fair Market Value**” means, with respect to any assets, securities, options, warrants or other rights on any date, the fair market value of that asset, security, option, warrant or other right as determined in good faith by an Independent Adviser; provided that (i) the fair market value of a cash dividend paid or to be paid per Share shall be the amount of such cash dividend per Share determined as at the date of announcement of such dividend; and (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such Independent Adviser) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily Closing Prices of such options, warrants or other rights during the period of five Trading Days on the relevant market commencing on the first such Trading Day such options, warrants or other rights are publicly traded.
- 6.5.6** “**Independent Adviser**” means licensed independent investment bank or independent auditors (acting as an expert) selected by the Issuer and approved in writing by the Refinancing Bonds Trustee.
- 6.5.7** “**Market Capitalisation**” on any date means the product of (a) the Current Market Price on such date and (b) the total number of Shares issued and outstanding on such date;
- 6.5.8** “**Relevant Cash Dividend**” means the aggregate cash dividend or distribution declared by the Issuer, including any cash dividend in respect of which there is any Scrip Dividend (which, for the avoidance of doubt, shall exclude a purchase or redemption of Shares, but include the Relevant Cash Dividend component of a Scrip Dividend).
- 6.5.9** “**Relevant Stock Exchange**” means the SGX-ST or, in the case of Shares or other securities if they are not at the time listed and traded on the SGX-ST, the principal stock exchange or securities market on which the Shares or other securities are then listed or quoted or dealt in.
- 6.5.10** “**REPS**” means the 300 redeemable exchangeable preference shares issued by a Subsidiary of the Issuer and convertible into Shares.
- 6.5.11** “**Scrip Dividend**” means where Shares are issued in lieu of the whole or any part of any Relevant Cash Dividend, being a dividend which the Shareholders concerned would or could otherwise have received and which would not have constituted a Capital Distribution (and for the avoidance of doubt to the extent that no adjustment is to be made under **Condition 6.4.3** in respect of the amount by which the Current Market Price of the Shares exceeds the Relevant Cash Dividend of part thereof) but without any prejudice to any adjustment required in such circumstances to be made under **Condition 6.4.2(ii)**.

- 6.5.12** “**Series 008 Securities**” means the S\$150 million subordinated perpetual securities issued as Series 008 (ISIN No. SG6UH9000009) under the Issuer’s multicurrency debt issuance programme.
- 6.5.13** “**Trading Day**” means a day when the Relevant Stock Exchange is open for business and on which the Shares or other securities may be dealt in, provided that if no Closing Price is reported in respect of the relevant Shares or other securities on the Relevant Stock Exchange for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days.
- 6.5.14** “**Warrants (2016)**” means the 355,099,387 warrants to subscribe for 355,099,387 new Shares of the Issuer that were issued subject to and with the benefit of a deed poll dated 13 April 2016 and executed by the Issuer.
- 6.5.15** “**Warrants (2018-Shareholders)**” means the up to 1,244,306,043 warrants proposed to be issued by the Issuer to its Shareholders, subject to the passing of the extraordinary resolutions to be proposed to the Issuer’s shareholders at an extraordinary general meeting scheduled to be convened.
- 6.5.16** “**Warrants (2018-Securityholders)**” means the up to 575,000,000 warrants proposed to be issued by the Issuer free to holders of the Refinancing Series B Convertible Bonds and holders of the proposed amended Series 008 Securities who exercise the Conversion Right with respect to each S\$50,000 in principal amount of such securities (1) on or prior to the date that is 60 days after the issue date of the Refinancing Series B Convertible Bonds or the effective date of the amendments to the Series 008 Securities, as the case may be, (in which case 50,000 warrants will be issued) or (2) after 60 days but on or prior to six months after such issue date or effective date (in which case 25,000 warrants will be issued), in each case subject to the passing of the extraordinary resolutions to be proposed to the Issuer’s shareholders at an extraordinary general meeting scheduled to be convened.

## **6.6 Miscellaneous**

For the purposes of these Conditions:

- 6.6.1** On any adjustment, the relevant Conversion Price shall be rounded down to the nearest S\$0.0001. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent of the Conversion Price then in effect. Any adjustment not required to be made, and any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustment shall be given to Bondholders in accordance with **Condition 17** as soon as practicable after the determination thereof.
- 6.6.2** Where more than one event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that in the opinion of the Independent Adviser, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such Independent Adviser to be in its opinion appropriate in order to give such intended result.
- 6.6.3** No adjustment will be made to the Conversion Price when Shares or other securities (including rights or options) are issued, offered or granted:
- (a) in connection with the issuance of any additional Bonds after the original issue date of the initial tranche of the Refinancing Series B Convertible Bonds;
  - (b) in connection with the Warrants (2016), Warrants (2018-Lenders), Warrants (2018-Shareholders) and Warrants (2018-Securityholders) (including the issue of Shares upon the exercise of such warrants);
  - (c) pursuant to the conversion of the REPS;
  - (d) pursuant to any Employee Share Scheme;
  - (e) in connection with the amendment of the terms and conditions of the Series 008 Securities and the issue of Shares upon exercise of the conversion rights relating to the amended Series 008 Securities; or

(f) pursuant to the conversion of the Refinancing Series B Convertible Bonds.

- 6.6.4** No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation of the Shares as referred to in **Condition 6.4.1** or to correct a manifest error. For the avoidance of doubt, any reset of the Conversion Price in accordance with **Condition 6.3** may result in the reset Conversion Price to be above the Conversion Price prior to the reset.
- 6.6.5** If the Issuer fails to select an Independent Adviser when required for the purposes of **Condition 6.4**, the Refinancing Bonds Trustee may select such an adviser and shall have no liability to any person in respect of such selection.
- 6.6.6** For the avoidance of doubt, the Refinancing Bonds Trustee and the Agents shall not be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Conversion Price and will not be responsible to Bondholders for any loss arising from any failure by it to do so. The Refinancing Bonds Trustee and the Agents shall be under no obligation to calculate, determine or verify the number of Shares to be issued upon conversion of the Refinancing Series B Convertible Bonds or verify the Issuer's or the Independent Adviser's determination of such number of Shares or method used in such determination and neither the Refinancing Bonds Trustee nor the Agents shall be responsible to Bondholders or any other person for any loss arising from any failure to do so or for any delay of the Issuer or the Independent Adviser in making such determination or any erroneous determination by the Issuer or the Independent Adviser.

## **6.7 Notice of reset or change in Conversion Price**

The Issuer shall give notice to the Bondholders in accordance with **Condition 17**, the Refinancing Bonds Trustee, the Agents and the SGX-ST of any reset or change in the Conversion Price as soon as reasonably practicable but in any event no later than three (3) Business Days following such reset or change. Any such notice relating to a reset or change in the Conversion Price shall set forth the occurrence of the Conversion Price Reset Date or the event giving rise to the adjustment, the Conversion Price prior to such reset or adjustment, the reset or adjusted Conversion Price and the effective date of such reset or adjustment.

## **6.8 Undertakings**

The Issuer has undertaken in the Refinancing Bonds Trust Deed, *inter alia*, that so long as any Refinancing Series B Convertible Bond remains outstanding, save with the approval of an Extraordinary Resolution of the Bondholders or with the approval of the Refinancing Bonds Trustee where, in the opinion of the Refinancing Bonds Trustee, it is not materially prejudicial to the interests of Bondholders to give such approval:

- 6.8.1** it will use reasonable endeavours (1) to maintain a listing for all the Shares in issue on the SGX-ST and (2) to obtain and maintain a listing for all the Shares issued on the exercise of the Conversion Rights attaching to the Refinancing Series B Convertible Bonds on the SGX-ST; and
- 6.8.2** other than as expressly provided in these Conditions, it will pay the expenses of the issue of, and all expenses of obtaining listing for, the Shares arising on conversion of the Refinancing Series B Convertible Bonds.

In the Refinancing Bonds Trust Deed, the Issuer has undertaken with the Refinancing Bonds Trustee that so long as any of the Refinancing Series B Convertible Bonds remains outstanding, it will ensure that all Shares liable to be issued on conversion of the Refinancing Series B Convertible Bonds will be duly and validly issued as fully paid, provided always that the Issuer shall not be prohibited from purchasing its Shares to the extent permitted by law.

The Issuer has also given certain other undertakings in the Refinancing Bonds Trust Deed for the protection of the Conversion Rights.

## **7. Payments**

### **7.1 Method of Payment**

- 7.1.1** Payment of the principal, premium (if any) and any interest due other than on an Interest Payment Date will be made by transfer to the registered account of the Bondholder or by

Singapore Dollar cheque drawn on a bank in Singapore mailed to the registered address of the Bondholder if it does not have a registered account at the risk of such Bondholder. Payment of principal will only be made after surrender of the relevant Certificate at the specified office of an Agent.

**7.1.2** Interest on the Refinancing Series B Convertible Bonds due on an Interest Payment Date will be paid on the due date for the payment of interest to the holder shown on the Register at the close of business on the 15th day before the due date for the payment of such interest (the “**Interest Record Date**”). Payments of interest on the Refinancing Series B Convertible Bonds will be made by transfer to the registered account of the Bondholder or by Singapore Dollar cheque drawn on a bank in Singapore mailed to the registered address of the Bondholder if it does not have a registered account at the risk of such Bondholder.

## **7.2 Registered accounts**

For the purposes of these Conditions, a Bondholder’s registered account means the Singapore Dollar bank account maintained by or on behalf of it with a bank in Singapore, details of which appear on the Register at the close of business on the second business day (as defined below) before the due date for payment, and a Bondholder’s registered address means its address appearing on the Register at that time.

## **7.3 Fiscal laws**

All payments are subject in all cases to any applicable laws and regulations in the place of payment, but without prejudice to the provisions of **Condition 9**. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

## **7.4 Payment initiation**

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a business day (as defined below), for value on the first following day which is a business day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (at the risk and, if mailed at the request of the holder otherwise than by registered mail, expense of the holder) on the due date for payment (or, if it is not a business day, the immediately following business day) or, in the case of a payment of principal, if later, on the business day on which the relevant Certificate is surrendered at the specified office of an Agent.

## **7.5 Delay in payment**

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due as a result of the due date not being a business day, if the Bondholder is late in surrendering his Certificate (if required to do so) within a period of three (3) business days after being notified of such requirement, or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

## **7.6 Partial Payment**

If an amount which is due on the Refinancing Series B Convertible Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

## **7.7 Business Day for Payment**

In this **Condition 7** only, “**business day**” means a day other than a Saturday, Sunday and public holiday on which commercial banks are open for business in Singapore and, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered.

## **8. Redemption, Purchase and Cancellation**

### **8.1 Maturity**

Unless previously redeemed, converted or purchased and cancelled as provided in these Conditions, the Issuer will redeem the Bonds at 100.0 per cent. of their principal amount on [●] 2023 (the “**Maturity Date**”). The Refinancing Series B Convertible Bonds may not be redeemed, in whole or in part, prior to that date other than in accordance with this **Condition 8** (but without prejudice to **Condition 11**).

### **8.2 Redemption at the option of the Issuer**

- 8.2.1** The Issuer may, having given not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable) redeem all, and not some only, of the Refinancing Series B Convertible Bonds at 100 per cent. of their principal amount plus interest accrued, if any, to but excluding the date for redemption if at any time the aggregate principal amount of the Refinancing Series B Convertible Bonds outstanding is less than 10 per cent. of the aggregate principal amount of the Refinancing Series B Convertible Bonds originally issued.
- 8.2.2** Upon the expiry of such notice, the Issuer will be bound to redeem such Refinancing Series B Convertible Bonds as aforesaid.

### **8.3 Redemption for taxation reasons**

- 8.3.1** At any time the Issuer may, having given not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable) redeem all, and not some only, of the Refinancing Series B Convertible Bonds at their 100.0 per cent. of their principal amount plus interest accrued, if any, to but excluding the date fixed for redemption (the "**Tax Redemption Date**"), if (i) the Issuer has or will become obliged to pay additional amounts as referred to in **Condition 9**, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Refinancing Series B Convertible Bonds were then due.
- 8.3.2** Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Refinancing Bonds Trustee (a) a certificate signed by two directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and (b) an opinion of independent legal or tax advisors of recognised standing in Singapore to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective) and the Issuer has or will become obliged to pay additional amounts as referred to in **Condition 9**. The Refinancing Bonds Trustee shall be entitled to accept such certificate and opinion as sufficient evidence thereof and the fulfilment of the requirements in (i) and (ii) above, in which event it shall be conclusive and binding on the Bondholders.
- 8.3.3** Upon the expiry of any such notice, the Issuer will be bound to redeem the Refinancing Series B Convertible Bonds as aforesaid.

### **8.4 Redemption at the Option of Bondholders for Delisting**

- 8.4.1** If the Shares cease to be listed or admitted to trading on the SGX-ST, the Issuer shall, at the option of the holder of any Refinancing Series B Convertible Bond (the "**Delisting Put Option**"), redeem such Refinancing Series B Convertible Bond at the Redemption Amount plus interest accrued, if any, to but excluding the date fixed for redemption (the "**Delisting Redemption Date**"), being the date falling 30 days after the Shares cease to be listed or admitted to trading.
- 8.4.2** The Issuer shall within seven days after the date the Shares cease to be listed or admitted to trading give notice to the Refinancing Bonds Trustee, the Agents and the Bondholders of such occurrence (provided that any failure by the Issuer to give such notice shall not prejudice any Bondholder of such option). To exercise such option, the holder must deposit such Refinancing Series B Convertible Bond with the relevant Agent at its specified office, together with an exercise notice in the form obtainable from the relevant Agent or the Issuer (as applicable) (an "**Exercise Notice**") not later than 21 days after the Shares cease to be listed or admitted to trading. Any Refinancing Series B Convertible Bond and Exercise Notice so deposited may not be withdrawn (except as provided in the Refinancing Bonds Agency Agreement) without the prior consent of the Issuer.

*Subject to the requirements of the Depository, the Delisting Put Option attaching to the Refinancing Series B Convertible Bonds represented by the Global Certificate may be*



*exercised by the presentation to or to the order of the relevant Agent of one or more Exercise Notices duly completed by or on behalf of an Accountholder. Deposit of the Global Certificate with the relevant Agent together with the relevant Exercise Notice shall not be required. In such a case, the delivery of the Exercise Notice in respect of the Refinancing Series B Convertible Bonds to be converted will constitute or be deemed to constitute confirmation by the relevant Accountholder that the information and representations in the Exercise Notice are true and accurate on the date of delivery. The exercise of the Delisting Put Option shall be notified by the relevant Agent to the holder of the Global Certificate.*

*Any exercise of the Delisting Put Option attaching to the Refinancing Series B Convertible Bonds represented by the Global Certificate shall be further conditional on that principal amount of Refinancing Series B Convertible Bonds so exercised being available in the "Free Balance" of the securities account(s) of the exercising Bondholder with the Depository until the relevant Delisting Redemption Date and on the exercising Bondholder electing in the Exercise Notice to have the delivery of the redemption amount of the relevant Bonds to be effected by crediting such amount to the securities account(s) of the exercising Bondholder, failing which the Exercise Notice shall be void and all rights of the exercising Bondholder and of any other person thereunder shall cease.*

## **8.5 Purchases**

The Issuer and/or any of its related corporations may at any time purchase Refinancing Series B Convertible Bonds at any price in the open market or otherwise. Such Refinancing Series B Convertible Bonds may, at the option of the Issuer or the relevant related corporation, be held, resold or cancelled. The Refinancing Series B Convertible Bonds so acquired, while held by or on behalf of the Issuer or any related corporation, shall not entitle the holders thereof to convert the Refinancing Series B Convertible Bonds in accordance with these Conditions nor exercise any voting rights with respect to such Refinancing Series B Convertible Bonds.

## **8.6 Cancellation**

All Refinancing Series B Convertible Bonds which are redeemed or converted in accordance with these Conditions will be cancelled forthwith upon such redemption or conversion (as the case may be), whether or not the Certificates representing such Refinancing Series B Convertible Bonds have been delivered to the Issuer pursuant to such redemption or conversion (as the case may be). Certificates in respect of all Refinancing Series B Convertible Bonds cancelled will be forwarded to or to the order of the Registrar and such Refinancing Series B Convertible Bonds may not be reissued or resold.

## **8.7 Redemption notices**

All notices to Bondholders given by or on behalf of the Issuer pursuant to this Condition will be given in accordance with **Condition 17**, and specify the Conversion Price as at the date of the relevant notice, the Closing Price of the Shares (as quoted on the SGX-ST) as at the latest practicable date prior to the publication of the notice, the date for redemption, the manner in which redemption will be effected and the aggregate principal amount of the Refinancing Series B Convertible Bonds outstanding as at the latest practicable date prior to the publication of the notice. If more than one redemption notice (which shall include any notice given by the Issuer pursuant to **Conditions 8.2, 8.3 or 8.4**) is received, the first of such notices to be given shall prevail. No redemption notice shall be effective if it specifies a redemption date falling during a Closed Period.

## **9. Taxation**

**9.1** All payments of principal, premium (if any) and interest made by or on behalf of the Issuer will be made without deduction or withholding for or on account of any present or future taxes, duties, imposts, assessments or governmental charges, deductions or withholdings, of whatever nature imposed, assessed, levied or collected by or on behalf of Singapore or any authority thereof or therein having power to tax ("**Taxes**"), unless deduction or withholding of such Taxes is compelled by law. In such event, the Issuer will pay such additional amounts as will result in the receipt by the Bondholders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been required except that no such additional amount shall be payable in respect of any Refinancing Series B Convertible Bond:

- 9.1.1** to a holder (or to a third party on behalf of a holder) who is subject to such Taxes in respect of such Refinancing Series B Convertible Bond by reason of his having some connection with Singapore otherwise than merely by holding the Refinancing Series B Convertible Bond or by the receipt of amounts in respect of the Refinancing Series B Convertible Bond (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore), or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate Governmental Authority which such holder is legally capable and competent of making but fails to do so; or
- 9.1.2** (in the case of a payment of principal) if the Certificate in respect of such Refinancing Series B Convertible Bond is surrendered more than thirty (30) days after the relevant date except to the extent that the holder would have been entitled to such additional amount on surrendering the relevant Certificate for payment on the last day of such period of thirty (30) days.
- 9.2** For the purposes of the Conditions, “**relevant date**” means the date on which such payment first becomes due.
- 9.3** References in these Conditions to principal, premium and interest shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Refinancing Bonds Trust Deed.
- 10. Prescription**
- Claims against the Issuer for payment in respect of the Refinancing Series B Convertible Bonds shall be prescribed and become void unless made within five years (in the case of principal and premium) and five years (in the case of interest) from the relevant date (as defined in Condition 9.2) in respect thereof.
- 11. Events of Default**
- 11.1** The Refinancing Bonds Trustee in its absolute discretion may, and if so requested in writing by the holders of not less than 25 per cent. in principal amount of the Refinancing Series B Convertible Bonds then outstanding or if so directed by an Extraordinary Resolution shall, give notice to the Issuer that the Refinancing Series B Convertible Bonds are, and they shall accordingly thereby become, immediately due and repayable at 100 per cent. of their principal amount plus accrued interest (subject as provided below and without prejudice to the right of such Bondholder to exercise the Conversion Right in respect of its Bonds in accordance with **Condition 6**) if any of the following events (each an “**Event of Default**”) has occurred:
- 11.1.1** if default is made in the payment of any principal or interest due in respect of the Refinancing Series B Convertible Bonds or any of them and the default continues for a period of more than three days in the case of interest;
- 11.1.2** if the Issuer fails to deliver and/or register the Shares as and when such Shares are required to be delivered and/or registered pursuant to these Conditions following conversion of a Bond;
- 11.1.3** if the Issuer fails to perform or comply with its other obligations under these Conditions or the Refinancing Bonds Trust Deed and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 21 days (or such longer period as the Refinancing Bonds Trustee may permit) next following the service by the Refinancing Bonds Trustee on the Issuer of notice requiring the same to be remedied;
- 11.1.4** if any representation, warranty or statement by the Issuer in the Refinancing Bonds Trust Deed or any of the Refinancing Series B Convertible Bonds or in any document delivered under the Refinancing Bonds Trust Deed or any of the Refinancing Series B Convertible Bonds is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and if the event resulting in such non-compliance is, in the opinion of the Refinancing Bonds Trustee, capable of remedy, it is not in the opinion of the Refinancing Bonds Trustee remedied within 21 days (or such longer period as the Refinancing Bonds Trustee may permit) next following the service by the Refinancing Bonds Trustee on the Issuer of notice requiring the same to be remedied;

**11.1.5** (i) any other present or future indebtedness of the Issuer and/or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to their stated maturity by reason of any actual or potential default, event of default or the like (howsoever described) or such event that with the passage of time or the giving of notice would constitute an event of default; (ii) any such indebtedness is not paid when due or, as the case maybe, within any applicable grace period; or (iii) the Issuer and/or any of its Subsidiaries fails to pay when due (after the expiration of any applicable grace period) any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this **Condition 11.1.5** have occurred equals or exceeds S\$10 million or its equivalent in other currencies.

Notwithstanding the above, the phrase “indebtedness of the Issuer and/or any of its Subsidiaries for or in respect of moneys borrowed or raised” shall not include the Series 009 S\$120,000,000 3.65% Committed Funding Backed Notes due 2020, the Series 008 S\$150,000,000 7.50% Subordinated Perpetual Securities, the Refinancing Series A Non-Convertible Bonds and Refinancing Series C Non-Convertible Bonds as defined in the Refinancing Bonds Trust Deed;

**11.1.6** any Encumbrance on or over all or a material part of the assets of the Issuer or any of the Principal Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable;

**11.1.7** if any order is made by any competent court or effective resolution passed for the winding up or dissolution of the Issuer or any of the Principal Subsidiaries, except (A) for the purposes of a reconstruction, amalgamation, merger, consolidation or reorganisation on terms approved by an Extraordinary Resolution of the Bondholders or (B) in the case of a Principal Subsidiary, where such winding up does not involve insolvency and results in such Principal Subsidiary being able to pay all of its creditors in full;

**11.1.8** if the Issuer or any of the Principal Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, except (A) for the purposes of a reconstruction, amalgamation, merger, consolidation or reorganisation on terms approved by an Extraordinary Resolution of the Bondholders or (B) in the case of a Principal Subsidiary, where such winding up does not involve insolvency and results in such Principal Subsidiary being able to pay all of its creditors in full, or the Issuer or any of the Principal Subsidiaries stops or threatens to stop payment of all or a material part of its debts as they fall due (other than, in the case of a Principal Subsidiary only, those contested in good faith and by appropriate proceedings), or admits inability to pay all or a material part of its debts as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found insolvent or a moratorium is agreed or declared in respect of, or affecting, all or a material part of the indebtedness of the Issuer or any of the Principal Subsidiaries;

**11.1.9** if (A) a judicial manager or liquidator (including a provisional liquidator) or other receiver, manager, administrator or other similar official is appointed in relation to the Issuer or any of the Principal Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (B) in any case (other than the appointment of a judicial manager or liquidator (including a provisional liquidator)) is not discharged within 45 days;

**11.1.10** if the Issuer or any of the Principal Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally;;

**11.1.11** if at any time any act, condition or thing which is required to be done, fulfilled or performed in order (i) to enable the Issuer lawfully to enter into, exercise its rights under and perform the obligations expressed to be assumed by it under and in respect of the Refinancing Series B Convertible Bonds and the Refinancing Bonds Trust Deed, (ii) to ensure that those obligations

are legal, valid, binding and enforceable or (iii) to make the Refinancing Series B Convertible Bonds and the Refinancing Bonds Trust Deed admissible in evidence in the courts of Singapore is not done, fulfilled or performed (unless such condition is no longer required or applicable);

**11.1.12** if at any time it is or becomes unlawful for the Issuer to perform or comply with any or all of its obligations under or in respect of the Refinancing Series B Convertible Bonds or the Refinancing Bonds Trust Deed or any of the obligations of the Issuer thereunder is not or ceases to be legal, valid and binding; or

**11.1.13** if any event occurs which under the laws of the relevant jurisdiction has an analogous or equivalent effect to any of the events referred to in **Conditions 11.1.7, 11.1.8, 11.1.9 and 11.1.10**.

**11.2** Notwithstanding receipt of any payment after the acceleration of the Refinancing Series B Convertible Bonds, a Bondholder may exercise its Conversion Right on or prior to the Expiry Date by depositing a Conversion Notice with the Registrar during the period from and including the date of a default notice with respect to an event specified in **Condition 11.1** (at which time the Issuer will notify the Bondholders of the number of Shares per S\$50,000 in principal amount of the Refinancing Series B Convertible Bonds to be delivered upon conversion, assuming all the then outstanding Bonds are converted) to and including the 30th Business Day after such default payment.

If any converting Bondholder deposits a Conversion Notice pursuant to this **Condition 11.2** on the Business Day prior to, or during, a Closed Period, the Bondholder's Conversion Right shall continue until the Business Day following the last day of the Closed Period, which shall be deemed the Conversion Date, for the purposes of such Bondholder's exercise of its Conversion Right pursuant to this **Condition 11.2**.

If the Conversion Right attached to any Refinancing Series B Convertible Bond is exercised pursuant to this **Condition 11.2**, the Issuer will deliver such number of Shares as relate to the principal amount of such Refinancing Series B Convertible Bonds less any amounts received by such Bondholder in relation to such Refinancing Series B Convertible Bond pursuant to **Condition 11.2** (which number will be disclosed to such Bondholder as soon as practicable after the Conversion Notice is given) in accordance with the Conditions, except that the Issuer shall have 14 days before it is required to register the converting Bondholder (or its designee) in the Issuer's register of members as the owner of the number of Shares to be delivered pursuant to this Condition or (if possible) to allot and issue such number of Shares in the name of the Depository for credit to the securities account designated for the purpose in the Conversion Notice and an additional seven days from such registration date to make payment in accordance with the following paragraph.

If the Refinancing Series B Convertible Bonds have become due and payable pursuant to **Condition 11.1.2**, the Issuer shall, at the request of the converting Bondholder, pay to such Bondholder an amount in Singapore Dollars (the "**Default Cure Amount**"), equal to the product of (x) (i) the number of Shares that are required to be delivered by the Issuer to satisfy the Conversion Right in relation to such converting Bondholder, taking into account any payment made by the Issuer pursuant to **Condition 11.1** minus (ii) the number of Shares that are actually delivered by the Issuer pursuant to such Bondholder's Conversion Notice and (y) the Share Price (as defined below) on the Conversion Date; provided that if such Bondholder has received any payment under the Refinancing Series B Convertible Bonds pursuant to this **Condition 11**, the amount of such payment shall be deducted from the Default Cure Amount.

**11.3** For the purposes of these Conditions:

"**Encumbrance**" includes any mortgage, pledge, lien, hypothecation, security interest or other charge or encumbrance and any other agreement or arrangement having substantially the same economic effect (including any "hold-back" or "flawed asset" arrangement)

"**Indebtedness for Borrowed Money**" means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other debt securities or any borrowed money or any liability under or in respect of any loans, financial leases, acceptance or acceptance credit.

"**Principal Subsidiary**" means any Subsidiary of the Issuer:

- i. whose profits before tax, as shown by the accounts of such Subsidiary (consolidated in the case of a company which itself has Subsidiaries), based upon which the latest audited consolidated accounts of the Issuer and its subsidiaries taken as a whole (the “**Group**”) have been prepared, are at least 15 per cent. of the consolidated profits before tax of the Group as shown by such audited consolidated accounts; or
- ii. whose total assets, as shown by the accounts of such Subsidiary (consolidated in the case of a company which itself has Subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 15 per cent. of the total assets of the Group as shown by such audited consolidated accounts,

provided that if any such Subsidiary (the “**transferor**”) shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another Subsidiary or the Issuer (the “**transferee**”) then:

- (a) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and
- (b) if part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

Any Subsidiary which becomes a Principal Subsidiary by virtue of (a) above or which remains or becomes a Principal Subsidiary by virtue of (b) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the profits before tax or (as the case may be) total assets as shown by the accounts of such Subsidiary (consolidated in the case of a company which itself has Subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 15 per cent. of the consolidated profits before tax or (as the case may be) total assets of the Group, as shown by such audited consolidated accounts. A report by the auditors, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a Subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive.

“**Share Price**” means the Closing Price of the Shares as quoted by the SGX-ST or other applicable securities exchange on which the Shares are listed on the Conversion Date or, if no reported sales take place on such date, the average of the reported closing bid and offered prices, in either case as reported by the SGX-ST or other applicable securities exchange on which the Shares are listed for such day as furnished by a reputable and independent broker-dealer selected from time to time by the Refinancing Bonds Trustee at the expense of the Issuer for such purpose.

“**Subsidiary**” means a subsidiary within the meaning of Section 5 of the Companies Act, Chapter 50 of Singapore.

**12. [INTENTIONALLY OMITTED]**

**13. Enforcement**

At any time after the Refinancing Series B Convertible Bonds have become due and repayable, the Refinancing Bonds Trustee may, at its discretion and without further notice, take such proceedings against the Issuer as it may think fit to enforce repayment of the Refinancing Series B Convertible Bonds and to enforce the provisions of the Refinancing Bonds Trust Deed, but it will not be bound to take any such proceedings unless (i) it shall have been so requested in writing by the holders of not less than 25 per cent. in principal amount of the Refinancing Series B Convertible Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Bondholder will be entitled to proceed directly against the Issuer unless the Refinancing Bonds Trustee, having become bound to do so, fails to do so within a reasonable period and such failure is continuing.

## **14. Meetings, Modification and Waiver**

### **14.1 Meetings**

The Refinancing Bonds Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Refinancing Series B Convertible Bonds or the provisions of the Refinancing Bonds Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing in the aggregate a clear majority in principal amount of the Refinancing Series B Convertible Bonds for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Bondholders whatever the principal amount of the Refinancing Series B Convertible Bonds so held or represented unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the dates of redemption of the Refinancing Series B Convertible Bonds or the due date for any payment of interest in respect of the Refinancing Series B Convertible Bonds, (ii) to reduce or cancel the amount of principal, premium, interest or Equivalent Amount payable in respect of the Refinancing Series B Convertible Bonds, (iii) to vary any method of, or basis for, calculating the redemption amount of the Refinancing Series B Convertible Bonds; (iv) to change the currency of payment or the denomination of the Refinancing Series B Convertible Bonds, (v) to modify (except by a unilateral and unconditional reduction in Conversion Price in accordance with the Conditions) or cancel the Conversion Rights or (vi) to modify the provisions concerning the quorum required at any meeting of the Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing in the aggregate not less than 75 per cent., or at any adjourned such meeting in the aggregate not less than 25 per cent. in principal amount of the Refinancing Series B Convertible Bonds for the time being outstanding. An Extraordinary Resolution passed at any meeting of Bondholders will be binding on all Bondholders, whether or not they are present at the meeting. The Refinancing Bonds Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of Refinancing Series B Convertible Bonds outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

### **14.2 Modification and Waiver**

The Refinancing Bonds Trustee may agree, without the consent of the Bondholders, to (i) any modification (except as mentioned in **Condition 14.1**) to, or the waiver or authorisation of any breach or proposed breach of, the Refinancing Series B Convertible Bonds, the Refinancing Bonds Agency Agreement or the Refinancing Bonds Trust Deed which is not, in the opinion of the Refinancing Bonds Trustee, materially prejudicial to the interests of the Bondholders or (ii) any modification to the Refinancing Series B Convertible Bonds, the Refinancing Bonds Agency Agreement or the Refinancing Bonds Trust Deed which, in the Refinancing Bonds Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver or authorisation will be binding on the Bondholders and, unless the Refinancing Bonds Trustee agrees otherwise, any such modifications will be notified by the Issuer to the Bondholders as soon as practicable thereafter.

Any material modification to the terms of the Refinancing Series B Convertible Bonds which is to the advantage of the Bondholders but is materially prejudicial to the interests of Shareholders shall not be effected without the prior approval of the Shareholders at a general meeting of the Shareholders, unless such modification is made pursuant to the terms of the Refinancing Series B Convertible Bonds.

### **14.3 Interests of Bondholders**

In connection with the exercise of its rights, powers, trusts, authorities or discretions (including but not limited to those in relation to any proposed modification, authorisation, waiver or authorisation of any breach or proposed breach of any of the Conditions or any provisions of the Refinancing Bonds Trust Deed), the Refinancing Bonds Trustee shall have regard to the general interests of the Bondholders as a class and shall not have regard to any interest arising from circumstances particular to individual Bondholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or otherwise to the tax consequences thereof and no Bondholder shall be entitled to claim from the Issuer or the Refinancing Bonds Trustee any indemnification or

payment in respect of any tax consequence of any such exercise upon individual Bondholders except to the extent provided for in **Condition 9** and/or in any undertakings given in addition thereto or in substitution therefor pursuant to the Refinancing Bonds Trust Deed.

#### **14.4 Certificates/Reports**

Any certificate or report of any expert or other person called for by or provided to the Refinancing Bonds Trustee (whether or not addressed to the Refinancing Bonds Trustee) in accordance with or for the purposes of these Conditions or the Refinancing Bonds Trust Deed may be relied upon by the Refinancing Bonds Trustee as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate or report and/or engagement letter or other document entered into by the Refinancing Bonds Trustee and/or the Issuer in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof.

#### **15. Replacement of Certificates**

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or any other Agent upon payment by the claimant of such reasonable costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and such Agent may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

#### **16. Refinancing Bonds Trustee**

The Refinancing Bonds Trust Deed contains provisions for the indemnification of the Refinancing Bonds Trustee and for its relief from responsibility, including provisions relieving it from taking any action or proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Refinancing Bonds Trustee is entitled to enter into business transactions with the Issuer or any Subsidiary without accounting for any profit resulting therefrom.

The Refinancing Bonds Trustee may rely without liability to Bondholders on any certificate prepared by the Issuer and accompanied by a certificate or report prepared by an internationally recognised firm of accountants pursuant to these Conditions and/or the Refinancing Bonds Trust Deed, whether or not addressed to the Refinancing Bonds Trustee and whether or not the internationally recognised firm of accountants' liability in respect thereof is limited by a monetary cap or otherwise limited or excluded and shall be obliged to do so where the certificate or report is delivered pursuant to the obligation of the Issuer to procure such delivery under these Conditions; any such certificate or report shall be conclusive and binding on the Issuer, the Refinancing Bonds Trustee and the Bondholders.

*The Refinancing Bonds Trust Deed also provides that each Bondholder shall be solely responsible for making or continuing to make its own independent appraisal and investigation into the financial condition, credit worthiness, conditions, affairs, status and nature of the Issuer, and the Refinancing Bonds Trustee shall not at any time have any responsibility for the same and each Bondholder shall not rely on the Refinancing Bonds Trustee in respect thereof.*

#### **17. Notices**

##### **17.1** All notices to Bondholders shall be validly given if mailed to them at their respective addresses in the Register maintained by the Registrar or published in a leading English language newspaper having general circulation in Singapore (which is expected to be The Business Times). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which the Refinancing Series B Convertible Bonds are for the time being listed. Notices will, if so published more than once or on different dates or if so published and mailed, be deemed to have been given on the date of the first publication in such newspaper as provided above. Any notice that is given solely by mail and not published will be deemed to have been given on the next Business Day after being so mailed.

*For so long as the Refinancing Series B Convertible Bonds are represented by the Global Certificate and in the case of Bondholders whose Refinancing Series B Convertible Bonds are registered in the name of the Depository, the Issuer shall give such notice or notification at their addresses as shown in the records of the Depository. Any such notice shall be deemed to have been given to the Bondholders on the next Business Day after the date on which the said notice was given to the Depository.*

- 17.2** The Issuer shall, not later than one month before the Expiration Date, give notice to the Bondholders in accordance with this Condition 17, of the Expiration Date and make an announcement of the same to the SGX-ST. In addition, upon the occurrence of the Expiration Date, the Issuer shall notify the Bondholders in writing of the expiration of the Conversion Right and make an announcement of the same to the SGX-ST. Such notice or notification shall be delivered by post to the addresses of the Bondholders as recorded in the Register. Proof of posting or despatch of any notice shall be deemed to be proof of receipt on the next Business Day after posting.

*For so long as the Refinancing Series B Convertible Bonds are represented by the Global Certificate and in the case of Bondholders whose Refinancing Series B Convertible Bonds are registered in the name of the Depository, the Issuer shall give such notice or notification at their addresses as shown in the records of the Depository. Any such notice shall be deemed to have been given to the Bondholders on the next Business Day after the date on which the said notice was given to the Depository.*

- 17.3** Notices to be given by any Bondholder shall be in writing and given by lodging the same, together (in the case of any definitive Certificate) with the relevant Certificate, with a Paying Agent.

*Whilst any of the Refinancing Series B Convertible Bonds are represented by the Global Certificate, such notice may also be given by any Bondholder to a Paying Agent through the Depository, in such manner (if any) as such Paying Agent and the Depository may approve for this purpose.*

## **18. Agents**

The name of the Registrar and its specified offices is set out below. The Issuer reserves the right, subject to the prior written approval of the Refinancing Bonds Trustee, at any time to vary or terminate the appointment of any Agent or the Registrar, appoint additional or other Agents or to appoint a replacement Registrar, provided that the Issuer will at all times maintain (a) a Principal Paying Agent having a specified office in Singapore, (b) a Conversion and Transfer Agent having a specified office in Singapore, and (c) a Registrar which will maintain the Register. Notice of any such termination or appointment, of any changes in the specified office of any Agent or the Registrar and of any change in the identity of the Registrar will be given promptly by the Issuer to the Bondholders in accordance with **Condition 17**.

## **19. Contracts (Rights of Third Parties) Act**

Unless expressly provided for to the contrary in the Refinancing Series B Convertible Bonds or these Conditions, the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore) shall not under any circumstances apply to the Refinancing Series B Convertible Bonds or these Conditions and any person who is not the Issuer or the Bondholder (whether or not such person shall be named, referred to, or otherwise identified, or form part of a class of persons so named, referred to or identified in these Conditions) shall have no right under the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore) to enforce the Refinancing Series B Convertible Bonds or these Conditions.

## **20. Governing Law and Jurisdiction**

The Refinancing Series B Convertible Bonds and the Refinancing Bonds Trust Deed are governed by, and shall be construed in accordance with, the laws of Singapore. In relation to any claim, legal action or proceeding arising out of or in connection with the Refinancing Series B Convertible Bonds, each of the Bondholders and the Issuer hereby irrevocably submits to the exclusive jurisdiction of the courts of Singapore. The courts of Singapore are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Refinancing Series B Convertible Bonds and accordingly any legal action or proceedings arising out of or in connection with the Refinancing Series B Convertible Bonds may be brought in such courts.



**Appendix E-3**

**Terms and Conditions of the Refinancing Series C Non-Convertible Bonds**

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## TERMS AND CONDITIONS OF THE REFINANCING SERIES C NON-CONVERTIBLE BONDS

*The following, other than the words in italics, is the text of the terms and conditions of the Refinancing Series C Non-Convertible Bonds which will be attached to each of the definitive certificates (if issued) evidencing the Refinancing Series C Non-Convertible Bonds:*

The issue of Refinancing Series C 0.25 per cent. non-convertible bonds due 2027 (the “**Refinancing Series C Non-Convertible Bonds**”) by Ezion Holdings Limited (the “**Issuer**”) was authorised by the board of directors of the Issuer on [DATE]. The Refinancing Series C Non-Convertible Bonds are constituted by a refinancing bonds trust deed ((as amended and supplemented from time to time) the “**Refinancing Bonds Trust Deed**”) dated [DATE] (the “**Issue Date**”) made between the Issuer and [TRUSTEE] as trustee for, *inter alia*, the holders of the Refinancing Series C Non-Convertible Bonds (the “**Refinancing Bonds Trustee**”, which term shall, where the context so permits, include all other person or company for the time being acting as trustee or trustees under the Refinancing Bonds Trust Deed). The Issuer has entered into a paying, conversion and transfer agency agreement relating to, *inter alia*, the Refinancing Series C Non-Convertible Bonds dated [DATE] (the “**Refinancing Bonds Agency Agreement**”) with the Refinancing Bonds Trustee, [PAYING AGENT] as principal paying, conversion and transfer agent (the “**Principal Paying Agent**”), [REGISTRAR] as registrar (the “**Registrar**” and, together with the Principal Paying Agent, the “**Agents**”) relating to the Refinancing Series C Non-Convertible Bonds. These Conditions include summaries of, and are subject to, the detailed provisions of the Refinancing Bonds Trust Deed, which includes the form of the Refinancing Series C Non-Convertible Bonds. Unless otherwise defined, terms used in these Conditions have the meaning specified in the Refinancing Bonds Trust Deed. Copies of the Refinancing Bonds Trust Deed, the Refinancing Bonds Agency Agreement and the deed of covenant (the “**Deed of Covenant**”) dated the Issue Date executed by the Issuer relating to the Refinancing Series C Non-Convertible Bonds are available for inspection during the usual business hours at the principal office for the time being of the Principal Paying Agent (presently at [ADDRESS]). The holders of the Refinancing Series C Non-Convertible Bonds are entitled to the benefit of and are bound by all the provisions of the Refinancing Bonds Trust Deed and Deed of Covenant, and are deemed to have notice of all the provisions of the Refinancing Bonds Trust Deed, the Refinancing Bonds Agency Agreement and Deed of Covenant applicable to them.

### **1. Status**

The Refinancing Series C Non-Convertible Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Refinancing Series C Non-Convertible Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unsubordinated and unsecured obligations.

### **2. Form, denomination and title**

#### **2.1 Form and denomination**

The Refinancing Series C Non-Convertible Bonds are issued in registered form in the denomination of S\$50,000 and integral multiples of S\$50,000 in excess thereof. A bond certificate (each a “**Certificate**”) will be issued to each Bondholder in respect of its registered aggregate holding of Refinancing Series C Non-Convertible Bonds. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders which the Issuer will procure to be kept by the Registrar.

*Upon issue, the Refinancing Series C Non-Convertible Bonds will be represented by a global certificate registered in the name of the Depository and deposited with the Depository. Refinancing Series C Non-Convertible Bonds which are represented by the global certificate will be transferable only in accordance with the rules and procedures for the time being of the Depository. Certificates in definitive form for individual holdings of Refinancing Series C Non-Convertible Bonds will not be issued except if (a) an event of default, enforcement event or analogous event entitling an Accountholder (as defined below) or the Refinancing Bonds Trustee to declare the Refinancing Series C Non-Convertible Bonds due and payable as provided in these Conditions has occurred and is continuing, or (b) the Depository is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), announces an intention to permanently cease business or has notified the Issuer that it is*

unable or unwilling to act as depository for the Refinancing Series C Non-Convertible Bonds and to continue performing its duties set out in its terms and conditions for the provision of depository services, and in each case where no alternative clearing system is available.

## 2.2 Title

Title to the Refinancing Series C Non-Convertible Bonds passes only by transfer and registration in the register of Bondholders (the “**Register**”) as described in **Condition 3**. The holder of any of the Refinancing Series C Non-Convertible Bonds will (except as otherwise required by law or ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, “**Bondholder**” and (in relation to the Refinancing Series C Non-Convertible Bonds) “**holder**” means the person in whose name the Refinancing Series C Non-Convertible Bonds are registered in the Register.

*For so long as any of the Refinancing Series C Non-Convertible Bonds is represented by the Global Certificate and the Global Certificate is registered in the name of the Depository, each person who is for the time being shown in the records of the Depository as the holder of a particular principal amount of such Refinancing Series C Non-Convertible Bonds (in which regard any certificate or other document issued by the Depository as to the principal amount of such Refinancing Series C Non-Convertible Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Principal Paying Agent, all other agents of the Issuer and the Refinancing Bonds Trustee as the holder of such principal amount of Refinancing Series C Non-Convertible Bonds other than with respect to the payment of principal, premium and any other amounts in respect of the Refinancing Series C Non-Convertible Bonds, for which purpose the person whose name is shown on the Register as the holder of the Global Certificate shall be treated by the Issuer, the Principal Paying Agent, all other agents of the Issuer and the Refinancing Bonds Trustee as the holder of such Refinancing Series C Non-Convertible Bonds in accordance with and subject to the terms of the Global Certificate (and the expression “Bondholder” and related expressions shall be construed accordingly). Refinancing Series C Non-Convertible Bonds which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of the Depository. For so long as any of the Refinancing Series C Non-Convertible Bonds is represented by the Global Certificate and the Global Certificate is held by the Depository, the payment of principal, interest and any other amounts in respect of the Refinancing Series C Non-Convertible Bonds shall be made by the Depository to the persons shown in the records of the Depository as the holder of Refinancing Series C Non-Convertible Bonds in accordance with the rules and procedures for the time being of the Depository and the record date for the purposes of determining entitlements to any payment of principal, interest and any other amounts in respect of the Refinancing Series C Non-Convertible Bonds shall, unless otherwise specified by the Issuer, be the date falling five business days prior to the relevant payment date (or such other date as may be prescribed by the Depository from time to time).*

*In these Conditions, “Global Certificate” means the global Certificate representing the Refinancing Series C Non-Convertible Bonds, or some of them, substantially in the form set out in Schedule [2] of the Refinancing Bonds Trust Deed and “Bondholder” and (in relation to the Refinancing Series C Non-Convertible Bonds) “holder” means the person in whose name the Refinancing Series C Non-Convertible Bonds registered.*

## 3. Transfers of Refinancing Series C Non-Convertible Bonds; Issue of Certificates

### 3.1 Register

The Issuer will cause the Register to be kept at the specified office of the Registrar, and in accordance with the terms of the Refinancing Bonds Agency Agreement, on which shall be entered the names and addresses of the holders of the Refinancing Series C Non-Convertible Bonds and the particulars of the Refinancing Series C Non-Convertible Bonds held by them and of all transfers of the Refinancing Series C Non-Convertible Bonds. Each Bondholder shall be entitled to receive only one Certificate in respect of its entire holding of Refinancing Series C Non-Convertible Bonds.

### 3.2 Transfers

Subject to **Condition 3.5** and the terms of the Refinancing Bonds Agency Agreement, the Refinancing Series C Non-Convertible Bonds may be transferred by delivery of the Certificate issued in respect of those Bonds, together with the form of transfer on the back duly completed and signed under the hand of the holder or his attorney duly authorised in writing (a copy of such authorisation to be attached to the form of transfer), to the specified office of the Registrar or any of the Agents. No transfer of title to Refinancing Series C Non-Convertible Bonds will be valid unless and until entered on the Register.

*Transfers of interests in Bonds evidenced by the Global Certificate will be effected in accordance with the rules of the Depository.*

### 3.3 Delivery of New Certificates

**3.3.1** Each new Certificate to be issued upon a transfer or exchange of Refinancing Series C Non-Convertible Bonds will, within seven Business Days of receipt by the Registrar or, as the case may be, any other relevant Agent of the original Certificate and the form of transfer duly completed and signed, be made available for collection at the specified office of the Registrar or such other relevant Agent or, if so requested in the form of transfer, be mailed by registered mail at the risk of the holder entitled to the Refinancing Series C Non-Convertible Bonds (but free of charge to the holder) to the address specified in the form of transfer. The form of transfer is available at the specified office of the Registrar.

*Except in limited circumstances described above, owners of interests in the Refinancing Series C Non-Convertible Bonds represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of Refinancing Series C Non-Convertible Bonds.*

**3.3.2** Where only part of a principal amount of the Refinancing Series C Non-Convertible Bonds in respect of which a Certificate is issued is to be transferred, converted or redeemed, a new Certificate in respect of the Refinancing Series C Non-Convertible Bonds not so transferred, converted or redeemed will, within seven Business Days of delivery of the original Certificate to the Registrar, be made available for collection at the specified office of the Registrar or, if so requested in the form of transfer, be mailed by registered mail at the risk of the holder of the Refinancing Series C Non-Convertible Bonds not so transferred, exchanged or converted (but free of charge to the holder) to the address of such holder appearing on the Register, provided that the principal amount to be transferred and the principal amount not so transferred each has a denomination of S\$50,000 and integral multiples of S\$50,000 in excess thereof.

**3.3.3** For the purposes of these Conditions (except for **Condition 6**), “**Business Day**” shall mean a day other than a Saturday or Sunday or a public holiday on which banks are open for business in the country in which the specified office of the Registrar (if a Certificate is deposited with it in connection with a transfer or redemption) or the Agent with whom a Certificate is deposited in connection with a transfer, is located.

### 3.4 Formalities free of charge

Registration of a transfer of Refinancing Series C Non-Convertible Bonds will be effected without charge by or on behalf of the Issuer or the Registrar (as the case may be) but upon (i) payment (or the giving of such indemnity as the Issuer or the Registrar (as the case may be) may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer, (ii) the Issuer or the Registrar (as the case may be) being satisfied that the regulations concerning transfer of Refinancing Series C Non-Convertible Bonds have been complied with and (iii) receipt by the Registrar of such evidence as it may require.

### 3.5 Closed periods

No Bondholder may require the transfer of Refinancing Series C Non-Convertible Bonds to be registered (i) during the period of 15 days ending on (and including) the date for payment of any principal pursuant to the Conditions (including the Maturity Date), (ii) during the period of 15 days ending on (and including) the date for redemption pursuant to **Conditions 8.2, 8.3 or 8.4**, or (iii) during the period of 15 days ending on (and including) any Interest Record Date (as defined in **Condition 7.1.2**), each such period being a “**Closed Period**”.

### 3.6 Regulations

All transfers of Refinancing Series C Non-Convertible Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Refinancing Series C Non-Convertible Bonds scheduled in the Refinancing Bonds Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Refinancing Bonds Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge to the relevant Bondholder) by the Registrar to any Bondholder upon request.

## 4. [INTENTIONALLY OMITTED]

## 5. Interest

### 5.1 Interest Rate and Accrual

The Refinancing Series C Non-Convertible Bonds bear interest with respect to each Interest Period on its outstanding principal amount from [DATE OF FIRST EXTRAORDINARY RESOLUTION] (the “**Interest Commencement Date**”) at the rate of 0.25 per cent. per annum (the “**Interest Rate**”) such interest payable annually in semi-annually in arrear on [●] and [●] of each year beginning on [●] 2018 (each, an “**Interest Payment Date**”). Unless previously converted or redeemed, the Refinancing Series C Non-Convertible Bonds will cease to bear interest on the Maturity Date, save for any amount payable in accordance with **Condition 5.2**.

For the purposes of these Conditions, “**Interest Period**” means the period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including an Interest Payment Date to but excluding the next succeeding Interest Payment Date.

### 5.2 Cessation of Interest

The Refinancing Series C Non-Convertible Bonds will cease to bear interest from the due date for redemption thereof unless, upon surrender in accordance with **Condition 8**, payment of the full amount due is improperly withheld or refused or default is otherwise made in respect of any such payment. In such event, interest will continue to accrue at the applicable per annum rate specified in **Condition 5.1** (after as well as before judgment) up to but excluding the date on which all sums due in respect of the Refinancing Series C Non-Convertible Bonds are received by or on behalf of the relevant holder.

### 5.3 Day Count Fraction

If interest with respect of a period is required to be calculated for a period of less than one year, it will be calculated on the basis of the actual number of days elapsed and a 365-day year (the “**Day Count Fraction**”). Any interest payable under this Condition will be paid in accordance with **Condition 7.1**.

## 6. [INTENTIONALLY OMITTED]

## 7. Payments

### 7.1 Method of Payment

**7.1.1** Payment of the principal, premium (if any) and any interest due other than on an Interest Payment Date will be made by transfer to the registered account of the Bondholder or by Singapore Dollar cheque drawn on a bank in Singapore mailed to the registered address of the Bondholder if it does not have a registered account at the risk of such Bondholder. Payment of principal will only be made after surrender of the relevant Certificate at the specified office of an Agent.

**7.1.2** Interest on the Refinancing Series C Non-Convertible Bonds due on an Interest Payment Date will be paid on the due date for the payment of interest to the holder shown on the Register at the close of business on the 15th day before the due date for the payment of such interest (the “**Interest Record Date**”). Payments of interest on the Refinancing Series C Non-Convertible Bonds will be made by transfer to the registered account of the Bondholder or by Singapore Dollar cheque drawn on a bank in Singapore mailed to the registered address of the Bondholder if it does not have a registered account at the risk of such Bondholder.

## 7.2 Registered accounts

For the purposes of these Conditions, a Bondholder's registered account means the Singapore Dollar bank account maintained by or on behalf of it with a bank in Singapore, details of which appear on the Register at the close of business on the second business day (as defined below) before the due date for payment, and a Bondholder's registered address means its address appearing on the Register at that time.

## 7.3 Fiscal laws

All payments are subject in all cases to any applicable laws and regulations in the place of payment, but without prejudice to the provisions of **Condition 9**. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

## 7.4 Payment initiation

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a business day (as defined below), for value on the first following day which is a business day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (at the risk and, if mailed at the request of the holder otherwise than by registered mail, expense of the holder) on the due date for payment (or, if it is not a business day, the immediately following business day) or, in the case of a payment of principal, if later, on the business day on which the relevant Certificate is surrendered at the specified office of an Agent.

## 7.5 Delay in payment

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due as a result of the due date not being a business day, if the Bondholder is late in surrendering his Certificate (if required to do so) within a period of three (3) business days after being notified of such requirement, or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

## 7.6 Partial Payment

If an amount which is due on the Refinancing Series C Non-Convertible Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

## 7.7 Business Day for Payment

In this **Condition 6** only, "**business day**" means a day other than a Saturday, Sunday and public holiday on which commercial banks are open for business in Singapore and, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered.

## 8. Redemption, Purchase and Cancellation

### 8.1 Maturity

Unless previously redeemed or purchased and cancelled as provided in these Conditions, the Issuer will redeem the Bonds on [●] 2027 (the "**Maturity Date**") at the Redemption Amount.

"**Redemption Amount**" means the outstanding principal amount of the Bonds multiplied by the sum of 107.5 per cent. and any Additional Premium; and

"**Additional Premium**" (expressed as a percentage) shall be calculated on the 15th day immediately prior to the relevant redemption date (the "**Premium Determination Date**") based on the following:

$$\text{Additional Premium (\%)} = \frac{(A - B)}{B} \times 7.5$$

Where:

A = the volume weighted average price of a Share for the 30-day period ("**30VWAP**") before the Premium Determination Date;

B = the higher of the 30VWAP after the issue date of the Refinancing Series C Non-Convertible Bonds and S\$0.2763 (the “**Minimum Price**”),

in each case subject to adjustment in accordance with Clause 8.8, provided that if the Additional Premium as calculated in accordance with the above formula is less than zero, then the Additional Premium applicable shall be zero.

The Refinancing Series C Non-Convertible Bonds may not be redeemed, in whole or in part, prior to that date other than in accordance with this **Condition 8** (but without prejudice to **Condition 11**).

## **8.2 Redemption at the option of the Issuer**

**8.2.1** At any time after the date that is five years after the date the first Extraordinary Resolution No. 1 of any Series of Securities is passed, the Issuer may, having given not less than 30 nor more than 60 days’ notice to the Bondholders (which notice shall be irrevocable) redeem all, and not some only, of the Refinancing Series C Non-Convertible Bonds at the Redemption Amount plus interest accrued, if any, to but excluding the date for redemption.

**8.2.2** Upon the expiry of such notice, the Issuer will be bound to redeem such Refinancing Series C Non-Convertible Bonds as aforesaid.

## **8.3 Redemption for taxation reasons**

**8.3.1** At any time after the date that is five years after the date the first Extraordinary Resolution No. 1 of any Series of Securities is passed the Issuer may, having given not less than 30 nor more than 60 days’ notice to the Bondholders (which notice shall be irrevocable) redeem all, and not some only, of the Refinancing Series C Non-Convertible Bonds at the Redemption Amount plus interest accrued, if any, to but excluding the date fixed for redemption (the “**Tax Redemption Date**”), if (i) the Issuer has or will become obliged to pay additional amounts as referred to in **Condition 9**, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Refinancing Series C Non-Convertible Bonds were then due.

**8.3.2** Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Refinancing Bonds Trustee (a) a certificate signed by two directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and (b) an opinion of independent legal or tax advisors of recognised standing in Singapore to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective) and the Issuer has or will become obliged to pay additional amounts as referred to in **Condition 9**. The Refinancing Bonds Trustee shall be entitled to accept such certificate and opinion as sufficient evidence thereof and the fulfilment of the requirements in (i) and (ii) above, in which event it shall be conclusive and binding on the Bondholders.

**8.3.3** Upon the expiry of any such notice, the Issuer will be bound to redeem the Refinancing Series C Non-Convertible Bonds as aforesaid.

## **8.4 Redemption at the Option of Bondholders for Delisting**

**8.4.1** If the Shares cease to be listed or admitted to trading on the SGX-ST, the Issuer shall, at the option of the holder of any Refinancing Series C Non-Convertible Bond (the “**Delisting Put Option**”), redeem such Refinancing Series C Non-Convertible Bond at the Redemption Amount plus interest accrued, if any, to but excluding the date fixed for redemption (the “**Delisting Redemption Date**”), being the date falling 30 days after the Shares cease to be listed or admitted to trading.

**8.4.2** The Issuer shall within seven days after the date the Shares cease to be listed or admitted to trading give notice to the Refinancing Bonds Trustee, the Agents and the Bondholders of such

occurrence (provided that any failure by the Issuer to give such notice shall not prejudice any Bondholder of such option). To exercise such option, the holder must deposit such Refinancing Series C Non-Convertible Bond with the relevant Agent at its specified office, together with an exercise notice in the form obtainable from the relevant Agent or the Issuer (as applicable) (an “**Exercise Notice**”) not later than 21 days after the Shares cease to be listed or admitted to trading. Any Refinancing Series C Non-Convertible Bond and Exercise Notice so deposited may not be withdrawn (except as provided in the Refinancing Bonds Agency Agreement) without the prior consent of the Issuer.

*Subject to the requirements of the Depository, the Delisting Put Option attaching to the Refinancing Series C Non-Convertible Bonds represented by the Global Certificate may be exercised by the presentation to or to the order of the relevant Agent of one or more Exercise Notices duly completed by or on behalf of an Accountholder. Deposit of the Global Certificate with the relevant Agent together with the relevant Exercise Notice shall not be required. In such a case, the delivery of the Exercise Notice in respect of the Refinancing Series C Non-Convertible Bonds to be converted will constitute or be deemed to constitute confirmation by the relevant Accountholder that the information and representations in the Exercise Notice are true and accurate on the date of delivery. The exercise of the Delisting Put Option shall be notified by the relevant Agent to the holder of the Global Certificate.*

*Any exercise of the Delisting Put Option attaching to the Refinancing Series C Non-Convertible Bonds represented by the Global Certificate shall be further conditional on that principal amount of Refinancing Series C Non-Convertible Bonds so exercised being available in the “Free Balance” of the securities account(s) of the exercising Bondholder with the Depository until the relevant Delisting Redemption Date and on the exercising Bondholder electing in the Exercise Notice to have the delivery of the redemption amount of the relevant Bonds to be effected by crediting such amount to the securities account(s) of the exercising Bondholder, failing which the Exercise Notice shall be void and all rights of the exercising Bondholder and of any other person thereunder shall cease.*

## **8.5 Purchases**

The Issuer and/or any of its related corporations may at any time purchase Refinancing Series C Non-Convertible Bonds at any price in the open market or otherwise. Such Refinancing Series C Non-Convertible Bonds may, at the option of the Issuer or the relevant related corporation, be held, resold or cancelled. The Refinancing Series C Non-Convertible Bonds so acquired, while held by or on behalf of the Issuer or any related corporation, shall not entitle the holders thereof to convert the Refinancing Series C Non-Convertible Bonds in accordance with these Conditions nor exercise any voting rights with respect to such Refinancing Series C Non-Convertible Bonds.

## **8.6 Cancellation**

All Refinancing Series C Non-Convertible Bonds which are redeemed in accordance with these Conditions will be cancelled forthwith upon such redemption, whether or not the Certificates representing such Refinancing Series C Non-Convertible Bonds have been delivered to the Issuer pursuant to such redemption. Certificates in respect of all Refinancing Series C Non-Convertible Bonds cancelled will be forwarded to or to the order of the Registrar and such Refinancing Series C Non-Convertible Bonds may not be reissued or resold.

## **8.7 Redemption notices**

All notices to Bondholders given by or on behalf of the Issuer pursuant to this Condition will be given in accordance with **Condition 17**, and specify the date for redemption, the manner in which redemption will be effected and the aggregate principal amount of the Refinancing Series C Non-Convertible Bonds outstanding as at the latest practicable date prior to the publication of the notice. If more than one redemption notice (which shall include any notice given by the Issuer pursuant to **Conditions 8.2, 8.3 or 8.4**) is received, the first of such notices to be given shall prevail. No redemption notice shall be effective if it specifies a redemption date falling during a Closed Period.



## 8.8 Adjustments to 30VWAP and Minimum Price

The 30VWAP and Minimum Price (the “**Relevant Price**”) will be subject to adjustment in the following events:

**8.8.1** *Consolidation, Subdivision or Reclassification:* If and whenever there shall be an alteration to the number of Shares in issue as a result of consolidation, subdivision or reclassification, the Relevant Price shall be adjusted by multiplying the Relevant Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Shares in issue immediately before such alteration;  
and

B is the aggregate number of Shares in issue immediately after such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

**8.8.2** *Capitalisation of profits or reserves:*

(i) If and whenever the Issuer shall issue any Shares credited as fully paid to the holders of the Shares (the “**Shareholders**”) by way of capitalisation of profits or reserves, including Shares paid up out of distributable profits or reserves (including a free distribution or bonus issue of Shares) other than a Scrip Dividend and which would not have constituted a Capital Distribution, the Relevant Price shall be adjusted by multiplying the Relevant Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Shares in issue immediately before such issue;  
and

B is the number of Shares in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of the Shares, or if a Record Date is fixed therefor, immediately after such Record Date.

(ii) In the case of an issue of Shares by way of a Scrip Dividend where the Current Market Price (as defined in **Condition 8.9.3**) of such Shares on the last full Trading Day preceding the date of announcement of the terms of such issue exceeds the amount of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Capital Distribution, the Relevant Price shall be adjusted by multiplying the Relevant Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the aggregate number of Shares in issue immediately before such Scrip Dividend;

B is the aggregate number of Shares issued by way of such Scrip Dividend multiplied by a fraction which (i) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash

Dividend and (ii) the denominator is such Current Market Price of the Shares issued by way of Scrip Dividend in respect of each existing Share in lieu of the whole, or the relevant part, of the Relevant Cash Dividend; and

C is the aggregate number of Shares issued by way of such Scrip Dividend.

or by making such other adjustment to the Relevant Price to give effect to the foregoing as an Independent Adviser shall certify to the Refinancing Bonds Trustee is fair and reasonable.

Such adjustment shall become effective on the date of issue of such Shares or if a Record Date is fixed therefor, immediately after such Record Date.

**8.8.3** *Capital Distribution:* If and whenever the Issuer shall pay or make any Capital Distribution to the Shareholders (except where the Relevant Price falls to be adjusted under **Condition 8.8.2** above), the Relevant Price shall be adjusted by multiplying the Relevant Price in force immediately before such Capital Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the last full Trading Day preceding the date on which the Capital Distribution is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the Capital Distribution attributable to one Share.

Such adjustment shall become effective on the date that such Capital Distribution is made, or if a Record Date is fixed therefor, immediately after such Record Date.

**8.8.4** *Rights Issues of Shares or Options over Shares:* If and whenever the Issuer shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, in each case at less than 90 per cent. of the Current Market Price per Share on the last full Trading Day preceding the date of the announcement of the terms of such issue or grant, the Relevant Price shall be adjusted by multiplying the Relevant Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the aggregate number of Shares in issue immediately before such announcement;
- B is the number of Shares which the aggregate amount (if any) receivable for the Shares issued by way of rights or for the options or warrants or other rights issued by way of rights and for the total number of Shares comprised therein would subscribe for, purchase or otherwise acquire at such Current Market Price per Share; and
- C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant of such rights, options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be), or if a Record Date is fixed

therefor, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be on the Relevant Stock Exchange.

- 8.8.5** *Rights Issues of Other Securities:* If and whenever the Issuer shall issue any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares) to all or substantially all Shareholders as a class by way of rights, or grant to all or substantially all Shareholders as a class, by way of rights, any options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the Relevant Price shall be adjusted by multiplying the Relevant Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the last full Trading Day preceding the date on which such issue or grant is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be), or if a Record Date is fixed therefor, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be on the Relevant Stock Exchange.

**8.8.6** [INTENTIONALLY OMITTED]

**8.8.7** [INTENTIONALLY OMITTED]

**8.8.8** [INTENTIONALLY OMITTED]

- 8.8.9** *Other Offers to Shareholders:* If and whenever the Issuer or any Subsidiary or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary) any other company, person or entity issues, sells or distributes any securities in connection with which an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Relevant Price falls to be adjusted under **Conditions 8.8.4** or **8.8.5**), the Relevant Price shall be adjusted by multiplying the Relevant Price in force immediately before such issue by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the last full Trading Day preceding the date on which such issue is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue, sale or delivery of the securities.

- 8.8.10** *Other Events:* In the event any adjustment to the Relevant Price is proposed or required to be made as a result of one or more events or circumstances not referred to in this **Condition 8.8**, the Issuer shall at its own expense request an Independent Adviser to determine as soon as practicable what adjustment (if any) to the Relevant Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Relevant Price, and the date on which such adjustment should take effect and upon such determination by the Independent Adviser such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that where the events or circumstances giving

rise to any adjustment pursuant to this **Condition 8.8** have already resulted or will result in an adjustment to the Relevant Price or where the events or circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Relevant Price, such modification (if any) shall be made to the operation of the provisions of this **Condition 8.8** as may be advised by the Independent Adviser to be in its opinion appropriate to give the intended result. The Issuer in exercising or making any discretion, consideration or determination (if applicable) shall, subject to any changes to, supplements, modifications and/or amendments of the accounting standards applicable to the Issuer from time to time, take into account or have reference to the general principle and intent, which is based on accounting standards applicable to the Issuer as at the date of execution of this Agreement, that such adjustment shall, to the extent possible or permitted, be made in such manner such that the per Share value of such adjustment cannot exceed the per Share value of the dilution to the Shareholder's interest in the equity of the Issuer (based on the Shares comprised in the unexercised options held by such Shareholder) which would otherwise result from the relevant transaction or event (as contemplated under the relevant Condition) giving rise to such adjustment.

## 8.9 Definitions

In these Conditions:

**8.9.1** “**Capital Distribution**” means (i) any distribution of assets *in specie* by the Issuer for any financial period whenever paid or made and however described (and for these purposes a distribution of assets *in specie* includes without limitation an issue of Shares or other securities credited as fully or partly paid (other than Shares credited as fully paid to the extent an adjustment to the Relevant Price is made in respect thereof under **Condition 8.8.2(i)**) by way of capitalisation of reserves, but excludes a Scrip Dividend to the extent an adjustment to the Relevant Price is made in respect thereof under **Condition 8.8.2(ii)**), and (ii) any cash dividend or distribution of any kind by the Issuer relating to the Shares for any financial period whenever paid or made and however described, including (without limitation) any Scrip Dividend to the extent of the Relevant Cash Dividend, excluding any dividend or distribution for that financial period to the extent that it does not (when taken together with any other Relevant Cash Dividends previously made or paid in respect of that financial period) exceed 20 per cent. of the Market Capitalisation of the Issuer at the time of announcement of such Relevant Cash Dividend, for each such financial period.

**8.9.2** “**Closing Price**” for the Shares for any Trading Day shall be the closing market price quoted by the SGX-ST for such Trading Day.

**8.9.3** “**Current Market Price**” means, in respect of a Share at a particular time on a particular date, the average of the daily Closing Price quoted by the SGX-ST for one Share for the five consecutive Trading Days ending on and including the Trading Day immediately preceding such date; provided that if at any time during the said five Trading Day period the Shares shall have been quoted ex-dividend (or ex-any other entitlement) and during some other part of that period the Shares shall have been quoted cum-dividend (or cum-any other entitlement) then:

- (i) if the Shares to be issued, transferred or delivered in such circumstances do not rank for the dividend (or other entitlement) in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend (or cum-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of the amount of that dividend (or other entitlement) per Share; or
- (ii) if the Shares to be issued, transferred or delivered in such circumstances rank for the dividend (or other entitlement) in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend (or ex-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of the amount of that dividend (or other entitlement) per Share,

and provided further that if the Shares on each of the said five Trading Days have been quoted cum-dividend (or cum-any other entitlement) in respect of a dividend (or other entitlement) which has been declared or announced but the Shares to be issued, transferred or delivered do

not rank for that dividend (or other entitlement), the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend (or other entitlement) per Share.

- 8.9.4** “**Employee Share Scheme**” means any scheme involving the issue, offer or grant (with or without consideration) by the Issuer or any of its Subsidiaries of rights or options over Shares or other securities of the Issuer or any of its Subsidiaries to, or for the benefit of, specified participants (including, without limitation, employees (including directors) or former employees of the Issuer, its Subsidiaries and/or associated companies, or persons related to such employees (including directors) and former employees) of such schemes or any arrangement involving the issue, offer or grant of rights or options (with or without consideration) to participants over Shares or other securities of the Issuer or any of its Subsidiaries which is analogous to an Employee Share Scheme provided such scheme is in compliance with the listing rules of the SGX-ST.
- 8.9.5** “**Fair Market Value**” means, with respect to any assets, securities, options, warrants or other rights on any date, the fair market value of that asset, security, option, warrant or other right as determined in good faith by an Independent Adviser; provided that (i) the fair market value of a cash dividend paid or to be paid per Share shall be the amount of such cash dividend per Share determined as at the date of announcement of such dividend; and (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such Independent Adviser) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily Closing Prices of such options, warrants or other rights during the period of five Trading Days on the relevant market commencing on the first such Trading Day such options, warrants or other rights are publicly traded.
- 8.9.6** “**Independent Adviser**” means licensed independent investment bank or independent auditors (acting as an expert) selected by the Issuer and approved in writing by the Refinancing Bonds Trustee.
- 8.9.7** “**Market Capitalisation**” on any date means the product of (a) the Current Market Price on such date and (b) the total number of Shares issued and outstanding on such date;
- 8.9.8** “**Relevant Cash Dividend**” means the aggregate cash dividend or distribution declared by the Issuer, including any cash dividend in respect of which there is any Scrip Dividend (which, for the avoidance of doubt, shall exclude a purchase or redemption of Shares, but include the Relevant Cash Dividend component of a Scrip Dividend).
- 8.9.9** “**Relevant Stock Exchange**” means the SGX-ST or, in the case of Shares or other securities if they are not at the time listed and traded on the SGX-ST, the principal stock exchange or securities market on which the Shares or other securities are then listed or quoted or dealt in.
- 8.9.10** “**REPS**” means the 300 redeemable exchangeable preference shares issued by a Subsidiary of the Issuer and convertible into Shares.
- 8.9.11** “**Scrip Dividend**” means where Shares are issued in lieu of the whole or any part of any Relevant Cash Dividend, being a dividend which the Shareholders concerned would or could otherwise have received and which would not have constituted a Capital Distribution (and for the avoidance of doubt to the extent that no adjustment is to be made under **Condition 8.8.3** in respect of the amount by which the Current Market Price of the Shares exceeds the Relevant Cash Dividend of part thereof) but without any prejudice to any adjustment required in such circumstances to be made under **Condition 8.8.2(ii)**.
- 8.9.12** “**Series 008 Securities**” means the S\$150 million subordinated perpetual securities issued as Series 008 (ISIN No. SG6UH9000009) under the Issuer’s multicurrency debt issuance programme.
- 8.9.13** “**Trading Day**” means a day when the Relevant Stock Exchange is open for business and on which the Shares or other securities may be dealt in, provided that if no Closing Price is reported in respect of the relevant Shares or other securities on the Relevant Stock Exchange for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days.

- 8.9.14** “**Warrants (2016)**” means the 355,099,387 warrants to subscribe for 355,099,387 new Shares of the Issuer that were issued subject to and with the benefit of a deed poll dated 13 April 2016 and executed by the Issuer.
- 8.9.15** “**Warrants (2018-Shareholders)**” means the up to 1,244,306,043 warrants proposed to be issued by the Issuer to its Shareholders, subject to the passing of the extraordinary resolutions to be proposed to the Issuer’s shareholders at an extraordinary general meeting scheduled to be convened.
- 8.9.16** “**Warrants (2018-Securityholders)**” means the up to 575,000,000 warrants proposed to be issued by the Issuer free to holders of the Refinancing Series B Convertible Bonds and holders of the proposed amended Series 008 Securities who exercise the Conversion Right with respect to each S\$50,000 in principal amount of such securities (1) on or prior to the date that is 60 days after the issue date of the Refinancing Series B Convertible Bonds or the effective date of the amendments to the Series 008 Securities, as the case may be, (in which case 50,000 warrants will be issued) or (2) after 60 days but on or prior to six months after such issue date or effective date (in which case 25,000 warrants will be issued), in each case subject to the passing of the extraordinary resolutions to be proposed to the Issuer’s shareholders at an extraordinary general meeting scheduled to be convened.

## **8.10 Miscellaneous**

For the purposes of these Conditions:

- 8.10.1** On any adjustment, the relevant Relevant Price shall be rounded down to the nearest S\$0.0001. No adjustment shall be made to the Relevant Price where such adjustment (rounded down if applicable) would be less than one per cent of the Relevant Price then in effect. Any adjustment not required to be made, and any amount by which the Relevant Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustment shall be given to Bondholders in accordance with **Condition 17** as soon as practicable after the determination thereof.
- 8.10.2** Where more than one event which gives or may give rise to an adjustment to the Relevant Price occurs within such a short period of time that in the opinion of the Independent Adviser, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such Independent Adviser to be in its opinion appropriate in order to give such intended result.
- 8.10.3** No adjustment will be made to the Relevant Price when Shares or other securities (including rights or options) are issued, offered or granted:
- (a) in connection with the issuance of any additional Bonds after the original issue date of the initial tranche of the Refinancing Series B Convertible Bonds;
  - (b) in connection with the Warrants (2016), Warrants (2018-Lenders), Warrants (2018-Shareholders) and Warrants (2018-Securityholders) (including the issue of Shares upon the exercise of such warrants);
  - (c) pursuant to the conversion of the REPS;
  - (d) pursuant to any Employee Share Scheme;
  - (e) in connection with the amendment of the terms and conditions of the Series 008 Securities and the issue of Shares upon exercise of the conversion rights relating to the amended Series 008 Securities; or
  - (f) pursuant to the conversion of the Refinancing Series B Convertible Bonds.
- 8.10.4** No adjustment involving an increase in the Relevant Price will be made, except in the case of a consolidation of the Shares as referred to in **Condition 8.8.1** or to correct a manifest error. For the avoidance of doubt, any reset of the Relevant Price in accordance with **Condition Error! Reference source not found.** may result in the reset Relevant Price to be above the Relevant Price prior to the reset.

**8.10.5** If the Issuer fails to select an Independent Adviser when required for the purposes of **Condition 8.8**, the Refinancing Bonds Trustee may select such an adviser and shall have no liability to any person in respect of such selection.

**8.10.6** For the avoidance of doubt, the Refinancing Bonds Trustee and the Agents shall not be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Relevant Price and will not be responsible to Bondholders for any loss arising from any failure by it to do so. The Refinancing Bonds Trustee and the Agents shall be under no obligation to calculate, determine or verify the number of Shares to be issued upon conversion of the Refinancing Series B Convertible Bonds or verify the Issuer's or the Independent Adviser's determination of such number of Shares or method used in such determination and neither the Refinancing Bonds Trustee nor the Agents shall be responsible to Bondholders or any other person for any loss arising from any failure to do so or for any delay of the Issuer or the Independent Adviser in making such determination or any erroneous determination by the Issuer or the Independent Adviser.

#### **8.11 Notice of reset or change in Relevant Price**

The Issuer shall give notice to the Bondholders in accordance with **Condition 17**, the Refinancing Bonds Trustee, the Agents and the SGX-ST of any reset or change in the Relevant Price as soon as reasonably practicable but in any event no later than three Business Days following such reset or change. Any such notice relating to a reset or change in the Relevant Price shall set forth the occurrence of the Relevant Price Reset Date or the event giving rise to the adjustment, the Relevant Price prior to such reset or adjustment, the reset or adjusted Relevant Price and the effective date of such reset or adjustment.

### **9. Taxation**

**9.1** All payments of principal, premium (if any) and interest made by or on behalf of the Issuer will be made without deduction or withholding for or on account of any present or future taxes, duties, imposts, assessments or governmental charges, deductions or withholdings, of whatever nature imposed, assessed, levied or collected by or on behalf of Singapore or any authority thereof or therein having power to tax ("**Taxes**"), unless deduction or withholding of such Taxes is compelled by law. In such event, the Issuer will pay such additional amounts as will result in the receipt by the Bondholders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been required except that no such additional amount shall be payable in respect of any Refinancing Series C Non-Convertible Bond:

**9.1.1** to a holder (or to a third party on behalf of a holder) who is subject to such Taxes in respect of such Refinancing Series C Non-Convertible Bond by reason of his having some connection with Singapore otherwise than merely by holding the Refinancing Series C Non-Convertible Bond or by the receipt of amounts in respect of the Refinancing Series C Non-Convertible Bond (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore), or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate Governmental Authority which such holder is legally capable and competent of making but fails to do so; or

**9.1.2** (in the case of a payment of principal) if the Certificate in respect of such Refinancing Series C Non-Convertible Bond is surrendered more than thirty (30) days after the relevant date except to the extent that the holder would have been entitled to such additional amount on surrendering the relevant Certificate for payment on the last day of such period of thirty (30) days.

**9.2** For the purposes of the Conditions, "**relevant date**" means the date on which such payment first becomes due.

**9.3** References in these Conditions to principal, premium and interest shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Refinancing Bonds Trust Deed.

### **10. Prescription**

Claims against the Issuer for payment in respect of the Refinancing Series C Non-Convertible Bonds shall be prescribed and become void unless made within five years (in the case of principal and premium) and five years (in the case of interest) from the relevant date (as defined in **Condition 9.2**) in respect thereof.

## **11. Events of Default**

**11.1** The Refinancing Bonds Trustee in its absolute discretion may, and if so requested in writing by the holders of not less than 25 per cent. in principal amount of the Refinancing Series C Non-Convertible Bonds then outstanding or if so directed by an Extraordinary Resolution shall, give notice to the Issuer that the Refinancing Series C Non-Convertible Bonds are, and they shall accordingly thereby become, immediately due and repayable at 100 per cent. of their principal amount plus accrued interest if any of the following events (each an “**Event of Default**”) has occurred:

**11.1.1** if default is made in the payment of any principal or interest due in respect of the Refinancing Series C Non-Convertible Bonds or any of them and the default continues for a period of more than three days in the case of interest;

**11.1.2** [INTENTIONALLY OMITTED]

**11.1.3** if the Issuer fails to perform or comply with its other obligations under these Conditions or the Refinancing Bonds Trust Deed and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 21 days (or such longer period as the Refinancing Bonds Trustee may permit) next following the service by the Refinancing Bonds Trustee on the Issuer of notice requiring the same to be remedied;

**11.1.4** if any representation, warranty or statement by the Issuer in the Refinancing Bonds Trust Deed or any of the Refinancing Series C Non-Convertible Bonds or in any document delivered under the Refinancing Bonds Trust Deed or any of the Refinancing Series C Non-Convertible Bonds is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and if the event resulting in such non-compliance is, in the opinion of the Refinancing Bonds Trustee, capable of remedy, it is not in the opinion of the Refinancing Bonds Trustee remedied within 21 days (or such longer period as the Refinancing Bonds Trustee may permit) next following the service by the Refinancing Bonds Trustee on the Issuer of notice requiring the same to be remedied;

**11.1.5** (i) any other present or future indebtedness of the Issuer and/or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to their stated maturity by reason of any actual or potential default, event of default or the like (howsoever described) or such event that with the passage of time or the giving of notice would constitute an event of default; (ii) any such indebtedness is not paid when due or, as the case maybe, within any applicable grace period; or (iii) the Issuer and/or any of its Subsidiaries fails to pay when due (after the expiration of any applicable grace period) any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this **Condition 11.1.5** have occurred equals or exceeds S\$10 million or its equivalent in other currencies.

Notwithstanding the above, the phrase “indebtedness of the Issuer and/or any of its Subsidiaries for or in respect of moneys borrowed or raised” shall not include the Series 009 S\$120,000,000 3.65% Committed Funding Backed Notes due 2020, the Series 008 S\$150,000,000 7.50% Subordinated Perpetual Securities, and the Refinancing Series A Non-Convertible Bonds and Refinancing Series B Convertible Bonds as defined in the Refinancing Bonds Trust Deed;

**11.1.6** any Encumbrance on or over all or a material part of the assets of the Issuer or any of the Principal Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable;

**11.1.7** if any order is made by any competent court or effective resolution passed for the winding up or dissolution of the Issuer or any of the Principal Subsidiaries, except (A) for the purposes of a reconstruction, amalgamation, merger, consolidation or reorganisation on terms approved by an Extraordinary Resolution of the Bondholders or (B) in the case of a Principal Subsidiary,



where such winding up does not involve insolvency and results in such Principal Subsidiary being able to pay all of its creditors in full;

- 11.1.8** if the Issuer or any of the Principal Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, except (A) for the purposes of a reconstruction, amalgamation, merger, consolidation or reorganisation on terms approved by an Extraordinary Resolution of the Bondholders or (B) in the case of a Principal Subsidiary, where such winding up does not involve insolvency and results in such Principal Subsidiary being able to pay all of its creditors in full, or the Issuer or any of the Principal Subsidiaries stops or threatens to stop payment of all or a material part of its debts as they fall due (other than, in the case of a Principal Subsidiary only, those contested in good faith and by appropriate proceedings), or admits inability to pay all or a material part of its debts as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found insolvent or a moratorium is agreed or declared in respect of, or affecting, all or a material part of the indebtedness of the Issuer or any of the Principal Subsidiaries;
- 11.1.9** if (A) a judicial manager or liquidator (including a provisional liquidator) or other receiver, manager, administrator or other similar official is appointed in relation to the Issuer or any of the Principal Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (B) in any case (other than the appointment of a judicial manager or liquidator (including a provisional liquidator)) is not discharged within 45 days;
- 11.1.10** if the Issuer or any of the Principal Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally;;
- 11.1.11** if at any time any act, condition or thing which is required to be done, fulfilled or performed in order (i) to enable the Issuer lawfully to enter into, exercise its rights under and perform the obligations expressed to be assumed by it under and in respect of the Refinancing Series C Non-Convertible Bonds and the Refinancing Bonds Trust Deed, (ii) to ensure that those obligations are legal, valid, binding and enforceable or (iii) to make the Refinancing Series C Non-Convertible Bonds and the Refinancing Bonds Trust Deed admissible in evidence in the courts of Singapore is not done, fulfilled or performed (unless such condition is no longer required or applicable);
- 11.1.12** if at any time it is or becomes unlawful for the Issuer to perform or comply with any or all of its obligations under or in respect of the Refinancing Series C Non-Convertible Bonds or the Refinancing Bonds Trust Deed or any of the obligations of the Issuer thereunder is not or ceases to be legal, valid and binding; or
- 11.1.13** if any event occurs which under the laws of the relevant jurisdiction has an analogous or equivalent effect to any of the events referred to in **Conditions 11.1.7, 11.1.8, 11.1.9 and 11.1.10**.

**11.2** [INTENTIONALLY OMITTED]

**11.3** For the purposes of these Conditions:

“**Encumbrance**” includes any mortgage, pledge, lien, hypothecation, security interest or other charge or encumbrance and any other agreement or arrangement having substantially the same economic effect (including any “hold-back” or “flawed asset” arrangement)

“**Indebtedness for Borrowed Money**” means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other debt securities or any borrowed money or any liability under or in respect of any loans, financial leases, acceptance or acceptance credit.

**“Principal Subsidiary”** means any Subsidiary of the Issuer:

- i. whose profits before tax, as shown by the accounts of such Subsidiary (consolidated in the case of a company which itself has Subsidiaries), based upon which the latest audited consolidated accounts of the Issuer and its subsidiaries taken as a whole (the **“Group”**) have been prepared, are at least 15 per cent. of the consolidated profits before tax of the Group as shown by such audited consolidated accounts; or
- ii. whose total assets, as shown by the accounts of such Subsidiary (consolidated in the case of a company which itself has Subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 15 per cent. of the total assets of the Group as shown by such audited consolidated accounts,

provided that if any such Subsidiary (the **“transferor”**) shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another Subsidiary or the Issuer (the **“transferee”**) then:

- (a) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and
- (b) if part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

Any Subsidiary which becomes a Principal Subsidiary by virtue of (a) above or which remains or becomes a Principal Subsidiary by virtue of (b) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the profits before tax or (as the case may be) total assets as shown by the accounts of such Subsidiary (consolidated in the case of a company which itself has Subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 15 per cent. of the consolidated profits before tax or (as the case may be) total assets of the Group, as shown by such audited consolidated accounts. A report by the auditors, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a Subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive.

**“Subsidiary”** means a subsidiary within the meaning of Section 5 of the Companies Act, Chapter 50 of Singapore.

**12. [INTENTIONALLY OMITTED]**

**13. Enforcement**

At any time after the Refinancing Series C Non-Convertible Bonds have become due and repayable, the Refinancing Bonds Trustee may, at its discretion and without further notice, take such proceedings against the Issuer as it may think fit to enforce repayment of the Refinancing Series C Non-Convertible Bonds and to enforce the provisions of the Refinancing Bonds Trust Deed, but it will not be bound to take any such proceedings unless (i) it shall have been so requested in writing by the holders of not less than 25 per cent. in principal amount of the Refinancing Series C Non-Convertible Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Bondholder will be entitled to proceed directly against the Issuer unless the Refinancing Bonds Trustee, having become bound to do so, fails to do so within a reasonable period and such failure is continuing.

**14. Meetings, Modification and Waiver**

**14.1 Meetings**

The Refinancing Bonds Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Refinancing Series C Non-Convertible Bonds or the provisions of the Refinancing Bonds Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be

two or more persons holding or representing in the aggregate a clear majority in principal amount of the Refinancing Series C Non-Convertible Bonds for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Bondholders whatever the principal amount of the Refinancing Series C Non-Convertible Bonds so held or represented unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the dates of redemption of the Refinancing Series C Non-Convertible Bonds or the due date for any payment of interest in respect of the Refinancing Series C Non-Convertible Bonds, (ii) to reduce or cancel the amount of principal, premium, interest or Equivalent Amount payable in respect of the Refinancing Series C Non-Convertible Bonds, (iii) to vary any method of, or basis for, calculating the redemption amount of the Refinancing Series C Non-Convertible Bonds; (iv) to change the currency of payment or the denomination of the Refinancing Series C Non-Convertible Bonds, or (v) to modify the provisions concerning the quorum required at any meeting of the Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing in the aggregate not less than 75 per cent., or at any adjourned such meeting in the aggregate not less than 25 per cent. in principal amount of the Refinancing Series C Non-Convertible Bonds for the time being outstanding. An Extraordinary Resolution passed at any meeting of Bondholders will be binding on all Bondholders, whether or not they are present at the meeting. The Refinancing Bonds Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of Refinancing Series C Non-Convertible Bonds outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

#### **14.2 Modification and Waiver**

The Refinancing Bonds Trustee may agree, without the consent of the Bondholders, to (i) any modification (except as mentioned in **Condition 14.1**) to, or the waiver or authorisation of any breach or proposed breach of, the Refinancing Series C Non-Convertible Bonds, the Refinancing Bonds Agency Agreement or the Refinancing Bonds Trust Deed which is not, in the opinion of the Refinancing Bonds Trustee, materially prejudicial to the interests of the Bondholders or (ii) any modification to the Refinancing Series C Non-Convertible Bonds, the Refinancing Bonds Agency Agreement or the Refinancing Bonds Trust Deed which, in the Refinancing Bonds Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver or authorisation will be binding on the Bondholders and, unless the Refinancing Bonds Trustee agrees otherwise, any such modifications will be notified by the Issuer to the Bondholders as soon as practicable thereafter.

Any material modification to the terms of the Refinancing Series C Non-Convertible Bonds which is to the advantage of the Bondholders but is materially prejudicial to the interests of Shareholders shall not be effected without the prior approval of the Shareholders at a general meeting of the Shareholders, unless such modification is made pursuant to the terms of the Refinancing Series C Non-Convertible Bonds.

#### **14.3 Interests of Bondholders**

In connection with the exercise of its rights, powers, trusts, authorities or discretions (including but not limited to those in relation to any proposed modification, authorisation, waiver or authorisation of any breach or proposed breach of any of the Conditions or any provisions of the Refinancing Bonds Trust Deed), the Refinancing Bonds Trustee shall have regard to the general interests of the Bondholders as a class and shall not have regard to any interest arising from circumstances particular to individual Bondholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or otherwise to the tax consequences thereof and no Bondholder shall be entitled to claim from the Issuer or the Refinancing Bonds Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders except to the extent provided for in **Condition 9** and/or in any undertakings given in addition thereto or in substitution therefor pursuant to the Refinancing Bonds Trust Deed.

#### **14.4 Certificates/Reports**

Any certificate or report of any expert or other person called for by or provided to the Refinancing Bonds Trustee (whether or not addressed to the Refinancing Bonds Trustee) in accordance with or for

the purposes of these Conditions or the Refinancing Bonds Trust Deed may be relied upon by the Refinancing Bonds Trustee as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate or report and/or engagement letter or other document entered into by the Refinancing Bonds Trustee and/or the Issuer in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof.

**15. Replacement of Certificates**

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or any other Agent upon payment by the claimant of such reasonable costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and such Agent may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

**16. Refinancing Bonds Trustee**

The Refinancing Bonds Trust Deed contains provisions for the indemnification of the Refinancing Bonds Trustee and for its relief from responsibility, including provisions relieving it from taking any action or proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Refinancing Bonds Trustee is entitled to enter into business transactions with the Issuer or any Subsidiary without accounting for any profit resulting therefrom.

The Refinancing Bonds Trustee may rely without liability to Bondholders on any certificate prepared by the Issuer and accompanied by a certificate or report prepared by an internationally recognised firm of accountants pursuant to these Conditions and/or the Refinancing Bonds Trust Deed, whether or not addressed to the Refinancing Bonds Trustee and whether or not the internationally recognised firm of accountants' liability in respect thereof is limited by a monetary cap or otherwise limited or excluded and shall be obliged to do so where the certificate or report is delivered pursuant to the obligation of the Issuer to procure such delivery under these Conditions; any such certificate or report shall be conclusive and binding on the Issuer, the Refinancing Bonds Trustee and the Bondholders.

*The Refinancing Bonds Trust Deed also provides that each Bondholder shall be solely responsible for making or continuing to make its own independent appraisal and investigation into the financial condition, credit worthiness, conditions, affairs, status and nature of the Issuer, and the Refinancing Bonds Trustee shall not at any time have any responsibility for the same and each Bondholder shall not rely on the Refinancing Bonds Trustee in respect thereof.*

**17. Notices**

- 17.1** All notices to Bondholders shall be validly given if mailed to them at their respective addresses in the Register maintained by the Registrar or published in a leading English language newspaper having general circulation in Singapore (which is expected to be The Business Times). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which the Refinancing Series C Non-Convertible Bonds are for the time being listed. Notices will, if so published more than once or on different dates or if so published and mailed, be deemed to have been given on the date of the first publication in such newspaper as provided above. Any notice that is given solely by mail and not published will be deemed to have been given on the next Business Day after being so mailed.

*For so long as the Refinancing Series C Non-Convertible Bonds are represented by the Global Certificate and in the case of Bondholders whose Refinancing Series C Non-Convertible Bonds are registered in the name of the Depository, the Issuer shall give such notice or notification at their addresses as shown in the records of the Depository. Any such notice shall be deemed to have been given to the Bondholders on the next Business Day after the date on which the said notice was given to the Depository.*

- 17.2** Notices to be given by any Bondholder shall be in writing and given by lodging the same, together (in the case of any definitive Certificate) with the relevant Certificate, with a Paying Agent.

*Whilst any of the Refinancing Series C Non-Convertible Bonds are represented by the Global Certificate, such notice may also be given by any Bondholder to a Paying Agent through the*

*Depository, in such manner (if any) as such Paying Agent and the Depository may approve for this purpose.*

**18. Agents**

The name of the Registrar and its specified offices is set out below. The Issuer reserves the right, subject to the prior written approval of the Refinancing Bonds Trustee, at any time to vary or terminate the appointment of any Agent or the Registrar, appoint additional or other Agents or to appoint a replacement Registrar, provided that the Issuer will at all times maintain (a) a Principal Paying Agent having a specified office in Singapore, (b) a Transfer Agent having a specified office in Singapore, and (c) a Registrar which will maintain the Register. Notice of any such termination or appointment, of any changes in the specified office of any Agent or the Registrar and of any change in the identity of the Registrar will be given promptly by the Issuer to the Bondholders in accordance with **Condition 17**.

**19. Contracts (Rights of Third Parties) Act**

Unless expressly provided for to the contrary in the Refinancing Series C Non-Convertible Bonds or these Conditions, the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore) shall not under any circumstances apply to the Refinancing Series C Non-Convertible Bonds or these Conditions and any person who is not the Issuer or the Bondholder (whether or not such person shall be named, referred to, or otherwise identified, or form part of a class of persons so named, referred to or identified in these Conditions) shall have no right under the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore) to enforce the Refinancing Series C Non-Convertible Bonds or these Conditions.

**20. Governing Law and Jurisdiction**

The Refinancing Series C Non-Convertible Bonds and the Refinancing Bonds Trust Deed are governed by, and shall be construed in accordance with, the laws of Singapore. In relation to any claim, legal action or proceeding arising out of or in connection with the Refinancing Series C Non-Convertible Bonds, each of the Bondholders and the Issuer hereby irrevocably submits to the exclusive jurisdiction of the courts of Singapore. The courts of Singapore are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Refinancing Series C Non-Convertible Bonds and accordingly any legal action or proceedings arising out of or in connection with the Refinancing Series C Non-Convertible Bonds may be brought in such courts.

Appendix E-4

Form of the Interest Note Certificate

On the front:

Certificate Number:

IN-[●]

**Ezion Holdings Limited**

(Incorporated in the Republic of Singapore)  
(UEN/Company Registration No. 199904364E)  
(the "Issuer")

**Zero Coupon Interest Notes Due 2024**

THIS DEED is made on [issue date].

This Definitive Certificate is issued in respect of zero coupon interest notes due 2024 (the "Interest Notes") of the Issuer.

This is to certify that ..... of ..... is, at the date hereof, entered in the register maintained by the Issuer in relation to the Interest Notes (the "Register") as the duly registered holder or, if more than one person is so registered, the first-named of such persons (the "Holder") of S\$ ..... ([insert amount in words] Singapore dollars) in aggregate principal amount of the Interest Notes.

The Issuer hereby promises to pay such principal sum to the Holder on [●]. No interest shall accrue on the Interest Notes.

This Definitive Certificate is evidence of entitlement only and is not a document of title. Entitlements are determined by the Register and only the Holder is entitled to payment in respect of this Definitive Certificate.

This Definitive Certificate is governed by, and shall be construed in accordance with, the laws of Singapore.

**In Witness Whereof** this Definitive Certificate has been executed and delivered as a deed on the date stated at the beginning.

**For and on behalf of**

**EZION HOLDINGS LIMITED**

as *Issuer*

}

.....  
By: [NAME]  
DIRECTOR

}

.....  
By: [NAME]  
DIRECTOR/SECRETARY

Appendix E-5

Form of the Distribution Note Certificate

On the front:

Certificate Number:

DN-[●]

**Ezion Holdings Limited**

(Incorporated in the Republic of Singapore)  
(UEN/Company Registration No. 199904364E)  
(the “Issuer”)

**Zero Coupon Distribution Notes Due 2027**

THIS DEED is made on [issue date].

This Definitive Certificate is issued in respect of zero coupon distribution notes due 2027 (the “**Distribution Notes**”) of the Issuer.

This is to certify that ..... of ..... is, at the date hereof, entered in the register maintained by the Issuer in relation to the Distribution Notes (the “**Register**”) as the duly registered holder or, if more than one person is so registered, the first-named of such persons (the “**Holder**”) of S\$ ..... (*[insert amount in words]* Singapore dollars) in aggregate principal amount of the Distribution Notes.

The Issuer hereby promises to pay such principal sum to the Holder on [●]. No interest shall accrue on the Distribution Notes.

This Definitive Certificate is evidence of entitlement only and is not a document of title. Entitlements are determined by the Register and only the Holder is entitled to payment in respect of this Definitive Certificate.

This Definitive Certificate is governed by, and shall be construed in accordance with, the laws of Singapore.

**In Witness Whereof** this Definitive Certificate has been executed and delivered as a deed on the date stated at the beginning.

**For and on behalf of**

**EZION HOLDINGS LIMITED**

as *Issuer*

}  
.....  
By: [NAME]  
DIRECTOR

}  
.....  
By: [NAME]  
DIRECTOR/SECRETARY

## **Appendix F**

### **Description of the Shares**

*The following statements are brief summaries of the material rights and privileges of shareholders conferred by the laws of Singapore and the Constitution. These statements summarize the material provisions of the Constitution but are qualified in their entirety by reference to the Constitution and the laws of Singapore.*

#### **Ordinary Shares**

As at Latest Practicable Date, the issued and paid-up share capital of the Issuer was S\$848,615,128.75 comprising 2,073,843,405 Shares (excluding treasury shares). In 2013, a subsidiary of the Issuer issued 300 REPS exchangeable into Shares, and in 2016 the Issuer issued 355,099,387 Warrants (2016) to its Shareholders. Other than the REPS and Warrants (2016), there are no outstanding preference shares or other warrants or convertible securities to purchase Shares. All of the Shares are in registered form. The Issuer may purchase the Shares, subject to the provisions of the Companies Act and the rules of the SGX-ST. The Issuer may not grant any financial assistance for the acquisition or proposed acquisition of the Shares, except in circumstances permitted by the Companies Act.

The Issuer may only issue new Shares with prior approval from the Shareholders at a general meeting.

The Shareholders may by ordinary resolution give the Directors authority to allot and issue Shares and/or convertible securities. Thereafter, Shares and/or convertible securities may be issued at any time and from time to time to such persons and on such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit. The maximum number of Shares to be issued upon conversion must be determinable at the time of the issue of such convertible securities. The aggregate number of Shares to be issued (including Shares to be issued pursuant to such convertible securities) must not exceed 50.0% of the issued share capital (excluding treasury shares) of the Issuer, of which the aggregate number of Shares (including Shares to be issued pursuant to such convertible securities) other than on a pro rata basis to existing Shareholders shall not exceed 20.0% of the issued share capital (excluding treasury shares) of the Issuer (the percentage of issued share capital being based on the issued share capital at the time of passing of the resolution after adjusting for new Shares arising from the conversion or exercise of any convertible securities or the exercise of employee share options or the vesting of share awards outstanding or subsisting at the time such authority is given and for any subsequent bonus issue, consolidation or subdivision of Shares). Unless revoked or varied by the Shareholders at a general meeting, such authority will continue in force until the conclusion of the next annual general meeting of the Issuer or the expiration of the period within which the next annual general meeting of the Issuer is required by law to be held, whichever is the earlier.

#### **Shareholders**

Only persons who are registered in the Issuer's register of Shareholders and, in cases in which the person so registered is CDP, the persons named as the Depositors (as defined in the SFA) in the depository register maintained by CDP for the Issuer's ordinary shares, are recognized as Shareholders.

The Issuer will not recognize any equitable, contingent, future or partial interest in any Shares or other rights for any Shares other than the absolute right of the registered holder or the person whose name is entered in the depository register for that Share, except as otherwise required by law. The Issuer may close the register of members for any time or times if the Issuer provides the SGX-ST with prior notice of such closure as may be required stating the period and purpose or purposes for which such closure is to be made. However, the register may not be closed for more than 30 days in aggregate in any calendar year. The Issuer would typically close the register to determine Shareholders' entitlement to receive dividends and other distributions.

#### **General Meetings of Shareholders**

The Issuer is required to hold an annual general meeting every year. The Directors may convene an extraordinary general meeting whenever it thinks fit and must do so if Shareholders representing not less than 10.0% of the total



voting rights of all Shareholders request in writing that such a meeting be held. In addition, two or more Shareholders holding not less than 10.0% of the Issuer's issued share capital may call a general meeting.

Unless otherwise required by law or by the Constitution, voting at general meetings is by ordinary resolution requiring the affirmative vote of a simple majority of the votes cast at that meeting in respect of the resolution. An ordinary resolution suffices, for example, for the appointment of directors.

A special resolution, requiring the affirmative vote of at least 75.0% of the votes cast at that meeting in respect of the resolution is necessary for certain matters under Singapore law, such as the voluntary winding up of company, amendments to the Constitution, a change of the Issuer's corporate name and a reduction in the Issuer's share capital. Ordinary resolutions generally require at least 14 clear days' notice in writing. The Constitution defines "clear days" as calendar days exclusive of the day on which the notice is served (or deemed to be served) and of the day for which the notice is given.

For so long as the Shares are listed on the SGX-ST, at least 14 clear days' notice of any general meeting shall be given in writing to the SGX-ST and by advertisement in the daily press. The Issuer must give at least 21 clear days' notice in writing for every general meeting convened for the purpose of passing a special resolution. The notice must be given to every Shareholder holding Shares conferring the right to attend and vote at the meeting and must set forth the place, the day and the hour of the meeting and, in the case of special business, a statement regarding the effect of any proposed resolutions in respect of such business. All general meetings must be held in Singapore.

### **Voting Rights**

A Shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy. A proxy need not be a Shareholder. A person who holds Shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the depository register maintained by CDP 72 hours before the general meeting. For the purpose of determining the number of votes which a Shareholder may cast at any general meeting on a poll, a Shareholder who is an account-holder directly with CDP or a depository agent, or his proxy, is deemed to hold or represent that number of shares entered against his name in the register maintained with CDP 72 hours before the time of the relevant general meetings, as certified by CDP to the Issuer.

Except as otherwise provided in the Companies Act, two or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under the Companies Act:

- (a) on a show of hands, every Shareholder present in person and entitled to vote shall have one vote, and each proxy appointed by a Shareholder who is a relevant intermediary (as defined in Section 181(6) of the Companies Act) shall have one vote); and
- (b) on a poll, every Shareholder shall have one vote for each Share which he holds.

A Shareholder who is not a relevant intermediary may appoint not more than two proxies to attend and vote at the same general meeting. A Shareholder who is a relevant intermediary may appoint more than two proxies to attend and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Shareholder.

Under the listing rules of the SGX-ST, all resolutions at general meetings shall be voted by poll. Under the Constitution, in the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote.

### **Transfer of Ordinary Shares**

The Directors may decline to register any transfer of ordinary shares which are not fully paid shares or ordinary shares on which the Issuer has a lien. The Directors may also decline to accept any instrument of transfer unless, all or any part of the stamp duty (if any) payable on each share transfer and such fee not exceeding two

Singapore Dollars for each transfer or such other sum as may from time to time be prescribed by the SGX-ST is paid to the Issuer and such fee not exceeding two Singapore Dollars as the Directors may from time to time determine is paid to the Issuer in respect of the registration of any instrument of transfer, probate, letters of administration, certificate of marriage or death, power of attorney or any document relating to or affecting the title to the Shares. Ordinary shares may be transferred by a duly executed instrument of transfer in the form approved by the Directors and the SGX-ST. Save as provided by the Constitution, there is no restriction on the transfer of fully paid shares except where restricted by law or the listing rules or by-laws of the SGX-ST. A Shareholder may transfer any ordinary shares held through the SGX-ST book entry settlement system by way of a book-entry transfer without the need for any instrument of transfer.

The Issuer will replace lost or destroyed certificates for Shares if the Issuer is properly notified and if the applicant pays a fee (not exceeding S\$1.00) and furnishes any evidence and indemnity that the Directors may require.

### **Minority Rights**

The rights of minority shareholders of Singapore incorporated companies are protected under Section 216 of the Companies Act, which gives the Singapore courts general power to make any order as they think fit, upon application by any Shareholder, to remedy any of the following situations:

- (a) the Issuer's affairs are being conducted or the powers of the Directors are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of the Shareholders, including the applicant; or
- (b) the Issuer takes an action, or threatens to take an action, or the Shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of the Shareholders, including the applicant.
- (c) Singapore courts have wide discretion as to the relief they may grant and that relief is in no way limited to the relief listed in the Companies Act. Without prejudice to the foregoing, Singapore courts may among other things:
- (d) direct or prohibit any act or cancel or vary any transaction or resolution;
- (e) regulate the conduct of the Issuer's affairs in the future;
- (f) authorize civil proceedings to be brought in the Issuer's name, or on the Issuer's behalf, by a person or persons and on such terms as the court may direct;
- (g) provide for the purchase of a minority Shareholder's Shares by the other Shareholders or by the Issuer and, in the case of a purchase of Shares by the Issuer, a corresponding reduction of the Issuer's share capital; or
- (h) provide that the Issuer be wound up.

### **Limitations on Rights to Hold or Vote Shares**

Singapore law and the Constitution do not impose any limitations on the right of non-resident or foreign Shareholders to hold or exercise voting rights attached to the Shares.

### **Dividends**

The Issuer may, by ordinary resolution of the Shareholders, declare dividends at a general meeting, but the Issuer may not pay dividends in excess of the amount recommended by the Directors. The Directors may

declare an interim dividend without the approval of the Shareholders provided no such dividends shall be declared more than once in six months.

The Issuer must pay all dividends out of the Issuer's profits. All dividends the Issuer pays are pro rata in amount to the Shareholders in proportion to the amount paid-up on each Shareholder's Shares, unless the rights attaching to an issue of any Share provide otherwise.

Unless otherwise directed, dividends are paid by check, dividend warrant or post office order sent through the post to each Shareholder at his registered address appearing in the Issuer's register of members or (as the case may be) the depository register. However, the Issuer's payment to CDP of any dividend payable to a Shareholder whose name is entered in the depository register shall, to the extent such payment is made to CDP, discharge the Issuer from any liability to that Shareholder in respect of that payment.

### **Bonus and Rights Issue**

The Directors may, with the approval from the Shareholders at a general meeting, capitalize any amounts standing to the credit of the Issuer's reserve accounts or other undistributable reserve or any sum standing to the credit of the Issuer's profit and loss account and distribute the same as bonus Shares credited as paid-up to the Shareholders in proportion to their shareholdings.

The Directors may also issue bonus Shares to participants of any share incentive or option scheme or plan implemented by the Issuer and approved by the Shareholders on such terms as the Directors shall think fit.

The Directors may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any securities exchange upon which the Shares are listed.

### **Liquidation and Other Return of Capital**

If the Issuer liquidates or in the event of any other return of capital, holders of the Shares will be entitled to participate in any surplus assets in proportion to their shareholdings.

### **Shareholders**

Under the SFA, a person has a substantial shareholding in the Issuer if he has an interest (or interests) in one or more voting shares (excluding treasury shares) in the Issuer and the total votes attached to that share or those shares, is not less than 5.0% of the aggregate of the total votes attached to all voting shares (excluding treasury shares) in the Issuer.

The SFA requires the Issuer's substantial shareholders, or if they cease to be the Issuer's substantial shareholders, to give notice in writing to the Issuer of particulars of the voting shares in the Issuer in which they have or had an interest (or interests) and the nature and extent of that interest or those interests, and of any change in the percentage level of their interest.

In addition, the deadline for a substantial shareholder to make disclosure to the Issuer under the SFA is two Singapore business days after he becomes aware:

- (a) that he is or (if he had ceased to be one) had been a substantial shareholder;
- (b) of any change in the percentage level in his interest; or
- (c) that he had ceased to be a substantial shareholder,

there being a conclusive presumption of a person being "aware" of a fact or occurrence at the time at which he would, if he had acted with reasonable diligence in the conduct of his affairs, have been aware.

Following the above, the Issuer will announce or disseminate the information stated in the notice to the SGX-ST as soon as practicable and, in any case, no later than the end of the Singapore business day following the day on which the Issuer received the notice.

“Percentage level”, in relation to a substantial shareholder in the Issuer, means the percentage figure ascertained by expressing the total votes attached to all the voting shares in the Issuer in which the substantial shareholder has an interest (or interests) immediately before or (as the case may be) immediately after the relevant time as a percentage of the total votes attached to all the voting shares (excluding treasury shares) in the Issuer, and, if it is not a whole number, rounding that figure down to the next whole number.

The Companies Act and the SFA provide that a person who has authority (whether formal or informal, or express or implied) to dispose of, or to exercise control over the disposal of, a voting share is regarded as having an interest in such share, even if such authority is, or is capable of being made, subject to restraint or restriction in respect of particular voting shares.

### **Takeovers**

The Companies Act, the SFA and the Singapore Code on Take-overs and Mergers (“**Singapore Take-over Code**”) regulate the acquisition of ordinary shares of public companies and contain certain provisions that may delay, deter or prevent a future takeover or change in control of the Issuer. Any person acquiring an interest resulting in him, either on his own or together with parties acting in concert with him, holding 30.0% or more of the Issuer’s voting shares, or such person holds, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% (both inclusive) of the Issuer’s voting shares and acquires (either on his own or together with parties acting in concert with him) more than 1.0% of the Issuer’s voting shares within any six month period, such person must extend a takeover offer for the remaining voting shares in accordance with the provisions of the Singapore Take-over Code.

“Parties acting in concert” comprise individuals or companies who, pursuant to an arrangement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Certain persons are presumed (unless the presumption is rebutted) to be acting in concert with each other, as follows:

- (a) a company and its related companies, the associated companies of any of the company and its related companies and companies whose associated companies include any of these companies;
- (b) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the entities set out immediately above for the purchase of voting rights;
- (c) a company and its directors (together with their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts);
- (d) a company and its pension funds and employee share schemes;
- (e) a person and any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (f) a financial or other professional adviser including a stockbroker, with its clients in respect of shareholdings held by (i) the adviser and persons controlling, controlled by or under the same control as the adviser and (ii) all the funds managed by the adviser on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10.0% or more of the client’s equity share capital;
- (g) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for the company may be imminent;

- (h) partners;
- (i) an individual and his close relatives, related trusts, any person who is accustomed to acting in accordance with his instructions and companies controlled by the individual, his close relatives, his related trusts or any person who is accustomed to acting in accordance with his instructions; and
- (j) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the persons set out immediately above for the purchase of voting rights.

Subject to certain exceptions, a mandatory offer for consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror within the six months preceding the acquisition of shares that triggered the mandatory offer obligation.

Under the Singapore Take-over Code, where effective control of a public company incorporated in Singapore is acquired or consolidated by a person, or persons acting in concert, a general offer to all other shareholders is normally required. An offeror must treat all shareholders of the same class in an offeree company equally. A fundamental requirement is that shareholders in the company subject to the takeover offer must be given sufficient information, advice and time to consider and decide on the offer.

### **Indemnification**

As permitted by Singapore law, the Constitution provides that, subject to the Companies Act, every Director or other officer of the Issuer shall be entitled to be indemnified out of the assets of the Issuer against all losses or liabilities (including any such liability as is mentioned in the Companies Act), which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

The Issuer may not indemnify directors and officers against any liability attaching to them in connection with any negligence, default, breach of duty or breach of trust in relation to the Issuer.

### **Summary of Selected Regulations of the Constitution**

The following summarizes certain provisions of the Constitution relating to:

1. the power of a Director to vote on a proposal, arrangement or contract in which he is interested:

#### *Regulation 105*

(1) A Director who is in any way whether directly or indirectly interested in a contract or proposed contract with the Issuer shall declare the nature of his interest at a meeting of the Directors in accordance with Section 156 of the Companies Act.

(2) A Director shall not vote in respect of any contract or proposed contract or arrangement with the Issuer in which he has directly or indirectly a personal material interest and if he shall do so his vote shall not be counted nor save as provided by Regulation 106 shall he be counted in the quorum present at the meeting.

2. the remuneration of the Directors:

#### *Regulation 102*

(1) The Directors shall be entitled to receive by way of fees for their services as Directors in each year such sum as shall from time to time, subject to Section 169 of the Companies Act, be determined by the Issuer by resolution passed at a general meeting, the notice of which shall specify the proposals concerning the same. Such remuneration shall be divided amongst the Directors as they shall determine or failing agreement equally.

(2) The fees payable to the Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.

(3) The remuneration of a non-executive Director shall be by a fixed sum and not by a commission on or percentage of profits or turnover. The remuneration of an executive Director may not include a commission on or a percentage of turnover.

*Regulation 103*

If any Director, being willing and having been called upon to do so, shall hold an executive office in the Issuer, shall render or perform extra or special services of any kind, including services on any committee established by the Directors, or shall travel or reside abroad for any business or purposes of the Issuer, he shall be entitled to receive such sum as the Directors may think fit for expenses, and also such remuneration as the Directors may think fit,

3. the borrowing powers exercisable by the Directors:

*Regulation 62*

The Directors may, from time to time, exercise all the powers of the Issuer to raise or borrow or secure the payment of any sum or sums of moneys for the purposes of the Issuer.

*Regulation 63*

The Directors may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and, in particular, by the issue of debentures or debenture stock of the Issuer, perpetual or otherwise, charged upon or by mortgage charge or lien of and on the undertaking of the whole or any part of the property of the Issuer (both present and future), including its uncalled capital for the time being, or by making, accepting, endorsing or executing any cheque, promissory note or bill of exchange.

4. the retirement or non-retirement of a Director under an age limit requirement:

There are no specific provisions in the Constitution relating to the retirement or non-retirement of a Director under an age limit requirement.

5. the shareholding qualification of a Director:

*Regulation 100*

A Director shall not be required to hold any share in the Issuer.

6. any change in capital:

*Regulation 5*

Subject to the statutes, no shares may be issued without the prior approval of the Issuer in general meeting but subject thereto and to the Regulations relating to new shares and to any special right attached to any share for the time being issued, the Directors may allot (with or without conferring any right of renunciation), grant options over or otherwise dispose of the same to such persons on such terms and conditions (including such consideration) and at such time as the Directors determine Provided Always that the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same.

### *Regulation 7*

Any share in the Issuer may be issued with such preferred, qualified, deferred or other special rights, privileges and conditions or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Issuer may from time to time by ordinary resolution determine, and subject to the statutes, the Issuer may issue preference shares which are or, at the option of the Issuer, are liable to be redeemed on such terms and in such manner as the Issuer before the issue thereof may by ordinary resolution determine Provided Always that the total value of issued preference shares shall not at any time exceed the total value of the issued ordinary shares for the time being.

7. any change in the respective rights of the various classes of shares including the action necessary to change the rights, indicating where the conditions are different from those required by the applicable law:

### *Regulation 9*

Subject to the provisions of the statutes, all or any of the special rights or privileges for the time being attached to any preference share for the time being issued may from time to time (whether or not the Issuer is being wound up) be modified, affected, altered or abrogated and preference capital other than redeemable preference shares may be repaid if authorised by a special resolution passed by holders of such preference shares at a special meeting called for the purpose. To any such special meeting, all provisions of the Regulations as to general meetings of the Issuer shall mutatis mutandis apply but so that the necessary quorum shall be two persons at least holding or representing by proxy not less than one third of the issued preference shares concerned and that every holder of the preference shares concerned shall be entitled on a poll to one vote for every such share held by him and that any holder of the preference shares concerned present either in person or by proxy may demand a poll Provided Always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing if obtained from holders of three-fourths of the preference shares concerned within two months of the meeting shall be as valid and effectual as a special resolution carried at the meeting.

8. any time limit after which a dividend entitlement will lapse and an indication of the party in whose favor this entitlement then operates:

### *Regulation 147*

The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Issuer a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Issuer and any dividend unclaimed for a period of six years from the date of declaration of such dividend may be forfeited and if so shall revert to the Issuer but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. If the depository returns any such dividend or moneys to the Issuer, the relevant depositor entitled thereto shall not have any right or claim in respect of such dividend or moneys against the Issuer if a period of six years has elapsed from the date of the declaration of such dividend or the date on which such other moneys are first payable.

**Appendix G**

**Audited Consolidated Financial Statements of Ezion Holdings Limited and its Subsidiaries  
for the Financial Years ended 2016 and 2015**

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## **Independent auditors' report**

Members of the Company  
Ezion Holdings Limited

### **Report on the audit of the financial statements**

#### *Opinion*

We have audited the financial statements of Ezion Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS82.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

#### *Basis for opinion*

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Valuation of the Group's vessels and service rigs  
(Refer to Note 4 to the financial statements)**

*The key audit matter*

The Group's vessels and service rigs of US\$2.2 billion represented 73% of its total assets as at 31 December 2016. In the current year, there is a risk that the recoverable amount of the Group's vessels and service rigs may be adversely impacted by the continuing decline in demand for vessels and service rigs chartering services.

Management has assessed the recoverable amounts of the Group's vessels and service rigs based on the estimated value in use of each vessel and service rig. Each vessel and service rig is a cash-generating unit.

The assessment of impairment depends heavily on management's judgment and estimates of charter rates, utilisation rates, operating expenditure and discount rates of the Group's vessels and service rigs.

*How the matter was addressed in our audit*

We obtained management's value in use calculations and assessed the key assumptions including forecast charter rates, forecast utilisation, operating expenditure and discount rates. We assessed these assumptions by reference to market data and past experience of the Group. These include:

- comparing the forecast charter rates and utilisation to those achieved in prior periods;
- comparing forecast charter rates to signed contracts for contracted periods and challenging basis of charter rates post-contracted periods;
- re-computing the discount rates using market inputs, and incorporating market, country and asset-specific risk premiums; and
- testing the mathematical accuracy of the calculations.

We also evaluated the adequacy of disclosures in respect of the impairment test assessment.

*Findings*

We found management's estimate of value in use has been appropriately applied to each individual cash-generating unit. We have considered the relevance of management's assumptions by reference to the historical forecasts and actual performance, and industry benchmarks.

The disclosures on the key assumptions which have the most impact on the recoverable amounts are balanced and reflective of inherent uncertainties.

**Recoverability of trade receivables  
(Refer to Note 9 to the financial statements)**

*The key audit matter*

The Group has outstanding trade receivables of US\$179 million.

Owing to the oil crisis, the Group has experienced significant delays in the recovery of debts owing from various counterparties in the oil and gas sector.

Determining the creditworthiness of counterparties and the recoverability of receivables requires significant management judgment.

*How the matter was addressed in our audit*

We challenged the Group's assessment of the recoverability of trade receivables, focusing on those that were long outstanding and/or of significant amounts. Our procedures include:

- analysing the payment history of the debtors for these receivables and the receipts subsequent to the year end;
- considering revised repayment schedules reached with these debtors; and
- assessing the historical reliability of the Group's estimates in previous periods by comparing the past impairment losses recognised against the actual amounts written-off.

We also considered the adequacy of disclosures about the risk of estimation involved in arriving at the impairment losses recognised.

*Findings*

We found management have considered relevant factors in its assessment of impairment losses on trade receivables. We found the disclosures to be proportionate to the judgment used by the Group.

**Valuation of investments in joint ventures and associates  
(Refer to Notes 6 and 7 to the financial statements)**

*The key audit matter*

The Group holds significant amounts of investment in joint ventures and associates. The current market conditions are challenging to the businesses in the oil and gas sectors which these investees operate in.

The Group determines the existence of any objective evidence through which the Group's investments in joint ventures and associates may be impaired. The identification of different cash-generating units ("CGUs"), assessment of indicators of impairment and where such indicators exist, the determination of the recoverable amounts of the CGUs require judgment.

*How the matter was addressed in our audit*

We assessed the determination of the CGUs and the recoverable amounts of the CGUs based on our understanding of the nature of the Group's business and the economic environment in which its CGUs operate.

We evaluated the management's key assumptions and estimates to determine the recoverable amounts of its investments in joint ventures and associates.

*Findings*

We found the approach taken by the Group to determine the recoverable amounts of its investments to be balanced. We found the disclosures to be proportionate to the judgment used by the Group.

*Other information*

Management is responsible for the other information. The other information comprises information included in the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of management and directors for the financial statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

*Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Koh Wei Peng.

**KPMG LLP**  
*Public Accountants and*  
*Chartered Accountants*

**Singapore**  
3 April 2017

**Statements of financial position**  
**As at 31 December 2016**

	Note	Group		Company	
		2016 US\$'000	2015 US\$'000	2016 US\$'000	2015 US\$'000
<b>Non-current assets</b>					
Plant and equipment	4	2,198,446	2,284,117	406	567
Subsidiaries	5	–	–	1,285,514	1,227,226
Joint ventures	6	171,584	131,354	52,232	51,759
Associates	7	78,801	72,621	60,153	53,982
Other assets, including derivatives	8	4,941	11,566	2,241	121
		<u>2,453,772</u>	<u>2,499,658</u>	<u>1,400,546</u>	<u>1,333,655</u>
<b>Current assets</b>					
Trade receivables	9	178,899	193,247	9,599	8,077
Other assets	8	164,086	80,188	68,053	48,861
Assets held for sale	10	–	105,553	–	–
Cash and cash equivalents	11	204,953	229,756	149,497	188,382
		<u>547,938</u>	<u>608,744</u>	<u>227,149</u>	<u>245,320</u>
<b>Total assets</b>		<u>3,001,710</u>	<u>3,108,402</u>	<u>1,627,695</u>	<u>1,578,975</u>
<b>Equity</b>					
Share capital	12	648,940	536,368	648,940	536,368
Perpetual securities	13	116,499	116,499	116,499	116,499
Redeemable exchangeable preference shares	14	23,464	23,464	–	–
Reserves	15	(31,549)	(32,323)	(1,541)	(2,915)
Retained earnings		558,030	597,302	798	89,508
<b>Equity attributable to owners of the Company</b>		<u>1,315,384</u>	<u>1,241,310</u>	<u>764,696</u>	<u>739,460</u>
<b>Non-current liabilities</b>					
Other payables, including derivatives	16	33,961	35,954	141,817	90,185
Notes payable	17	372,040	378,691	372,040	378,691
Financial liabilities	18	788,067	851,101	112,082	137,312
Deferred tax liabilities	19	–	449	–	–
		<u>1,194,068</u>	<u>1,266,195</u>	<u>625,939</u>	<u>606,188</u>
<b>Current liabilities</b>					
Trade payables	20	112,074	126,165	198	40
Other payables	16	42,846	50,091	110,240	93,896
Liabilities relating to assets held for sale	10	–	42,658	–	–
Financial liabilities	18	331,055	375,254	122,912	135,689
Provision for tax		6,283	6,729	3,710	3,702
		<u>492,258</u>	<u>600,897</u>	<u>237,060</u>	<u>233,327</u>
<b>Total liabilities</b>		<u>1,686,326</u>	<u>1,867,092</u>	<u>862,999</u>	<u>839,515</u>
<b>Total equity and liabilities</b>		<u>3,001,710</u>	<u>3,108,402</u>	<u>1,627,695</u>	<u>1,578,975</u>

The accompanying notes form an integral part of these financial statements.

**Consolidated income statement**  
**Year ended 31 December 2016**

	Note	2016 US\$'000	2015 US\$'000
Revenue	22	318,245	351,147
Cost of sales		(256,999)	(233,082)
<b>Gross profit</b>		61,246	118,065
Other income		32,254	25,236
Administrative expenses		(18,328)	(19,103)
Other expenses		(76,238)	(87,308)
<b>Results from operating activities</b>		(1,066)	36,890
Finance income		4,695	4,439
Finance costs		(32,512)	(26,412)
<b>Net finance costs</b>	23	(27,817)	(21,973)
Share of results of joint ventures and associates, net of tax		(2,041)	23,448
<b>(Loss)/Profit before income tax</b>	24	(30,924)	38,365
Income tax expense	25	(2,682)	(1,581)
<b>(Loss)/Profit for the year attributable to owners of the Company</b>		(33,606)	36,784
<b>Earnings per share</b>			
Basic earnings per share (cents)	26	(2.30)	1.51
Diluted earnings per share (cents)	26	(2.27)	1.49

The accompanying notes form an integral part of these financial statements.



**Consolidated statement of comprehensive income**  
**Year ended 31 December 2016**

	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>(Loss)/Profit for the year</b>	(33,606)	36,784
<b>Other comprehensive income</b>		
<b>Items that are or may be reclassified subsequently to profit or loss:</b>		
Foreign currency translation differences relating to financial statements of foreign operations	892	(6,409)
Share of foreign currency translation differences of associates	402	2,155
Exchange differences on monetary items forming part of net investment in foreign operations	(1,969)	(4,861)
Effective portion of changes in fair value of cash flow hedges	1,449	(406)
<b>Other comprehensive income for the year, net of tax</b>	774	(9,521)
<b>Total comprehensive income for the year, attributable to owners of the Company</b>	(32,832)	27,263

The accompanying notes form an integral part of these financial statements.

**Consolidated statement of changes in equity**  
**Year ended 31 December 2016**

Note	Attributable to owners of the Company									Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Perpetual securities US\$'000	Redeemable exchangeable preference shares US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Hedging reserve US\$'000	Statutory reserve US\$'000	Retained earnings US\$'000	Total US\$'000		
<b>Group</b>											
At 1 January 2015	535,654	211,874	23,464	(102)	(20,218)	(1,098)	(6)	563,059	1,312,627	(6)	1,312,621
<b>Total comprehensive income for the year</b>											
Profit for the year	-	-	-	-	-	-	-	36,784	36,784	-	36,784
<b>Other comprehensive income</b>											
Foreign currency translation differences relating to financial statements of foreign operations	-	-	-	-	(6,409)	-	-	-	(6,409)	-	(6,409)
Share of foreign currency translation differences of associates	-	-	-	-	2,155	-	-	-	2,155	-	2,155
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	-	(4,861)	-	-	-	(4,861)	-	(4,861)
Effective portion of changes in fair value of cashflow hedges	-	-	-	-	-	(406)	-	-	(406)	-	(406)
Total comprehensive income for the year	-	-	-	-	(9,115)	(406)	-	36,784	27,263	-	27,263
<b>Transactions with owners of the Company, recognised directly in equity</b>											
<b>Contributions by and distributions to owners of the Company</b>											
Redemption of perpetual securities	-	(95,375)	-	-	-	-	-	9,063	(86,312)	-	(86,312)
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(12,520)	(12,520)	-	(12,520)
Repurchase of own shares	15	-	-	(1,378)	-	-	-	-	(1,378)	-	(1,378)
Share options exercised	12	714	-	-	-	-	-	-	714	-	714
Dividends paid	-	-	-	-	-	-	-	(1,193)	(1,193)	-	(1,193)
Share-based payment transactions	21	-	-	-	-	-	-	2,121	2,121	-	2,121
Total contributions by and distributions to owners		714	(95,375)	(1,378)	-	-	-	(2,529)	(98,568)	-	(98,568)

The accompanying notes form an integral part of these financial statements.

**Consolidated statement of changes in equity (continued)**  
**Year ended 31 December 2016**

Note	Attributable to owners of the Company									Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Perpetual securities US\$'000	Redeemable exchangeable preference shares US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Hedging reserve US\$'000	Statutory reserve US\$'000	Retained earnings US\$'000	Total US\$'000		
<b>Group</b>											
<b>Changes in ownership interests in subsidiaries</b>											
Acquisition of non-controlling interests	-	-	-	-	-	-	-	(12)	(12)	6	(6)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	(12)	(12)	6	(6)
Total transactions with owners	714	(95,375)	-	(1,378)	-	-	-	(2,541)	(98,580)	6	(98,574)
At 31 December 2015	536,368	116,499	23,464	(1,480)	(29,333)	(1,504)	(6)	597,302	1,241,310	-	1,241,310

The accompanying notes form an integral part of these financial statements.

**Consolidated statement of changes in equity (continued)**  
**Year ended 31 December 2016**

Note	Attributable to owners of the Company									Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Perpetual securities US\$'000	Redeemable exchangeable preference shares US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Hedging reserve US\$'000	Statutory reserve US\$'000	Retained earnings US\$'000	Total US\$'000		
<b>Group</b>											
At 1 January 2016	536,368	116,499	23,464	(1,480)	(29,333)	(1,504)	(6)	597,302	1,241,310	–	1,241,310
<b>Total comprehensive income for the year</b>											
Loss for the year	–	–	–	–	–	–	–	(33,606)	(33,606)	–	(33,606)
<b>Other comprehensive income</b>											
Foreign currency translation differences relating to financial statements of foreign operations	–	–	–	–	892	–	–	–	892	–	892
Share of foreign currency translation differences of associates	–	–	–	–	402	–	–	–	402	–	402
Exchange differences on monetary items forming part of net investment in foreign operations	–	–	–	–	(1,969)	–	–	–	(1,969)	–	(1,969)
Effective portion of changes in fair value of cashflow hedges	–	–	–	–	–	1,449	–	–	1,449	–	1,449
Total comprehensive income for the year	–	–	–	–	(675)	1,449	–	(33,606)	(32,832)	–	(32,832)
<b>Transactions with owners of the Company, recognised directly in equity</b>											
<b>Contributions by and distributions to owners of the Company</b>											
Issue of shares	112,572	–	–	–	–	–	–	–	112,572	–	112,572
Accrued perpetual securities distributions	–	–	–	–	–	–	–	(7,634)	(7,634)	–	(7,634)
Share-based payment transactions	–	–	–	–	–	–	–	1,968	1,968	–	1,968
Total contributions by and distributions to owners	112,572	–	–	–	–	–	–	(5,666)	106,906	–	106,906
<b>At 31 December 2016</b>	<b>648,940</b>	<b>116,499</b>	<b>23,464</b>	<b>(1,480)</b>	<b>(30,008)</b>	<b>(55)</b>	<b>(6)</b>	<b>558,030</b>	<b>1,315,384</b>	<b>–</b>	<b>1,315,384</b>

The accompanying notes form an integral part of these financial statements.

**Consolidated statement of cash flows**  
**Year ended 31 December 2016**

	Note	2016 US\$'000	2015 US\$'000
<b>Cash flows from operating activities</b>			
(Loss)/Profit for the year		(33,606)	36,784
<b>Adjustments for:</b>			
Income tax expense	25	2,682	1,581
Depreciation expense	4	150,612	134,873
Loss/(Gain) on disposal of:			
- plant and equipment		5,116	–
- assets held for sale		(26,251)	–
Foreign exchange gain		(8,144)	(5,003)
Gain from change in ownership interest in associates	24	–	(8,882)
Income from financial guarantee income provided to joint ventures		(1,325)	(2,112)
Finance income	23	(4,695)	(4,439)
Finance costs	23	32,512	26,412
Net impairment loss on:			
- plant and equipment	4	45,647	37,900
- trade receivables	9	25,219	43,228
Equity-settled share-based payment transactions	21	1,968	2,121
Share of results of joint ventures and associates, net of tax		2,041	(23,448)
<b>Operating profit before changes in working capital</b>		191,776	239,015
<b>Changes in working capital:</b>			
Trade receivables and other assets		(31,530)	(81,238)
Trade and other payables		(11,651)	49,738
Cash generated from operating activities		148,595	207,515
Tax paid		(2,905)	(3,666)
<b>Net cash from operating activities</b>		145,690	203,849
<b>Cash flows from investing activities</b>			
Advance payments for purchase of plant and equipment		(827)	(125,149)
Interest received		2,431	8,099
Investment in joint ventures		(21,013)	657
Investment in associates		(7,607)	(4,707)
Proceeds from disposal of plant and equipment		1,829	–
Proceeds from disposal of assets held for sale		20,400	–
Purchase of plant and equipment		(66,715)	(256,726)
<b>Net cash used in investing activities</b>		(71,502)	(377,826)

The accompanying notes form an integral part of these financial statements.

**Consolidated statement of cash flows (continued)**  
**Year ended 31 December 2016**

	Note	2016 US\$'000	2015 US\$'000
<b>Cash flows from financing activities</b>			
Interest paid		(38,178)	(37,888)
Net proceeds from issuance of notes		–	87,413
Net proceeds from issuance of ordinary shares		99,843	–
Net proceeds from exercise of share options		–	714
Dividends paid		–	(1,193)
Proceeds from borrowings		45,666	342,875
Repayment of borrowings		(191,813)	(250,504)
Repurchase of own shares		–	(1,378)
Redemption of perpetual securities		–	(86,312)
<b>Net cash (used in)/from financing activities</b>		(84,482)	53,727
<b>Net decrease in cash and cash equivalents</b>		(10,294)	(120,250)
Cash and cash equivalents at 1 January		229,756	371,510
Effect of exchange rate fluctuations on cash held		(14,509)	(21,504)
<b>Cash and cash equivalents at 31 December</b>	11	204,953	229,756

The accompanying notes form an integral part of these financial statements.

## **Notes to the financial statements**

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 3 April 2017.

### **1 Domicile and activities**

Ezion Holdings Limited (the “Company”) is incorporated in Singapore. The address of the Company’s registered office is 15 Hoe Chiang Road, #12-05 Tower Fifteen, Singapore 089316.

The financial statements of the Company as at and for the year ended 31 December 2016 comprise the Company, its subsidiaries and jointly controlled operations (together referred to as the “Group” and individually as “Group entities”) and the Group’s interests in associates and joint ventures.

The principal activities of the Company are those of investment holding company and the provision of management services to its subsidiaries. The principal activities of the significant subsidiaries are set out in note 5 to the financial statements.

### **2 Basis of preparation**

#### **(a) Statement of compliance**

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (“FRS”).

#### **(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except as otherwise disclosed in the accounting policies below.

#### **(c) Functional and presentation currency**

These financial statements are presented in United States dollars (“US\$”), which is the Company’s functional currency. All financial information presented in United States dollars has been rounded to the nearest thousand, unless otherwise stated.

#### **(d) Use of estimates and judgments**

The preparation of financial statements in conformity with FRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in note 30.

### **3 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

#### **(a) Basis of consolidation**

##### **(i) Business combinations**

Business combinations are accounted for using the acquisition method in accordance with FRS 103 Business Combination as at the date of acquisition, which is the date on which control is transferred to the Group.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

##### **(ii) Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.



**(iii) *Loss of control***

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

**(iv) *Investments in associates and joint ventures (equity-accounted investees)***

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds between 20% or more of the voting power of another entity.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates and joint ventures are accounted for using the equity method and are recognised initially at cost. The cost of the investments includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity accounted investees, after adjustments to align the accounting policies of the equity accounted investee with those of the Group, from the date that significant influence joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

**(v) *Joint operations***

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

**(vi) *Transactions eliminated on consolidation***

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**(vii) Accounting for subsidiaries, associates and joint ventures**

Investments in subsidiaries, associates and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

**(b) Foreign currency**

**(i) Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for the differences arising on the retranslation of available-for-sale equity instruments and retranslation of monetary items that are in substance form part of the Group's net investment in foreign operations (see (iii) below).

**(ii) Foreign operations**

The assets and liabilities of foreign operations are translated to US\$ at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to US\$ at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in other comprehensive income, and are presented in the translation reserve in equity.

**(iii) Net investment in foreign operations**

Exchange differences arising from monetary items that in substance form part of the Company's net investment in a foreign operation are recognised in the Company's profit or loss. Such exchange differences are reclassified to other comprehensive income in the consolidated financial statements. When the foreign operation is disposed of, the cumulative amount in equity is transferred to profit or loss as an adjustment to the gain or loss arising on disposal.

**(c) Plant and equipment**

**(i) Recognition and measurement**

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and is recognised in profit or loss.

**(ii) Subsequent costs**

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Costs incurred on subsequent dry-docking of vessels are capitalised and depreciated over the shorter of period to next estimated dry-docking and five years. When significant dry-docking costs are incurred prior to the expiry of the depreciation period, the remaining costs of the previous dry-docking are written off in the month of the next dry-docking.

**(iii) Depreciation**

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Assets under construction are not depreciated.

Depreciation is recognised from the date that plant and equipment are completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Vessels	10 – 25 years
Assets on board the vessels	3 – 23 years
Dry-docking expenditure	5 years
Rig and other oil and gas related assets	10 – 25 years
Renovation, furniture, fittings and office equipment	2 years
Motor vehicles	5 – 7 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

**(d) Financial instruments**

**(i) *Non-derivative financial assets***

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

**Loans and receivables**

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade receivables and other assets (excludes advances to suppliers, prepayments, interest rate swaps used for hedging and available-for-sale financial asset).

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, pledged deposits are excluded from cash and cash equivalents.

### **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 3(g)(i)) and foreign currency differences on available-for-sale equity instruments (see note 3(b)(i)), are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Where equity instruments do not have a quoted market price in an active market and other methods of determining fair value do not result in a reliable estimate, the investment is measured at cost less impairment losses.

Available-for-sale financial assets comprise equity securities.

#### **(ii) *Non-derivative financial liabilities***

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise financial liabilities, notes payable and trade and other payables (excludes downpayments and advances from customers, interest rate swaps used for hedging and deferred revenue).

#### **(iii) *Share capital***

##### **Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

### **Perpetual securities**

The perpetual securities do not have a maturity date and the Company is able to elect to defer making a distribution subject to the term and conditions of the securities issued. Accordingly, the Company is not considered to have a contractual obligation to make principal repayments or distributions in respect of its perpetual securities issued and the perpetual capital securities are presented within equity. Distributions are treated as dividends which will be directly debited from equity. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

### **Preference share capital**

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary.

Preference share capital is classified as a financial liability if it is redeemable on a specific date or at the option of the shareholders.

#### ***(iv) Repurchase, disposal and reissue of share capital (treasury shares)***

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

#### ***(v) Intra-group financial guarantees***

Financial guarantees are financial instruments issued by the Group that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are recognised initially at fair value and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantees is transferred to profit or loss.

#### ***(vi) Derivative financial instruments, including hedge accounting***

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be “highly effective” in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80%-125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivatives are recognised initially at fair value; attributable transactions are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised immediately in profit or loss.

#### *Cash flow hedges*

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the non-financial item affects profit or loss. In other cases as well, the amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to profit or loss.

#### *Other non-trading derivatives*

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

**(e) Leases**

***(i) When entities within the Group are lessees of a finance lease***

Leased assets in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Leased assets are depreciated over the shorter of the lease term and their estimated useful lives. Lease payments are apportioned between finance expense and reduction of the lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

At inception, an arrangement that contains a lease is accounted for as such based on the terms and conditions even though the arrangement is not in the legal form of a lease.

***(ii) When entities within the Group are lessees of an operating lease***

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

***(iii) When entities within the Group are lessors of a finance lease***

When entities within the Group are lessor of the finance lease, the amounts due under the leases, after deduction of unearned charges, are included in "Finance lease receivables" as appropriate. The difference between the gross receivable and present value of the receivable is recognised as unearned interest. Interest receivable is recognised over the periods of the leases so as to give a constant rate of return on the net investment in the leases.

***(iv) When entities within the Group are lessors of an operating lease***

Where the Group leases out assets under operating leases, the leased assets are included in statement of financial position according to their nature and, where applicable, are depreciated in accordance with Group's depreciation policies. Revenue arising from operating leases is recognised in accordance with the Group's revenue recognition policies.

**(f) Inter-company loans**

In the Company's financial statements, inter-company loans to subsidiaries are stated at fair value at inception. The difference between the fair value and the loan amount at inception is recognised as additional investments in subsidiaries in the Company's financial statements. Subsequently, these loans are measured at amortised cost using the effective interest rate method. The unwinding of the difference is recognised as interest income in profit or loss over the expected repayment period.



Inter-company loans, where settlement is neither planned nor likely to occur in the foreseeable future, are in substance, part of the holding company's net investment in the entities and are stated at cost less accumulated impairment losses.

Such balances are eliminated in full in the Group's consolidated financial statements.

**(g) Impairment**

**(i) *Non-derivative financial assets***

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group considers a decline of 20% to be significant and a period of 9 months to be prolonged.

**Loans and receivables**

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

### **Available-for-sale financial assets**

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

#### **(ii) Non-financial assets**

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(h) Non-current assets held for sale**

Non-current assets comprising assets and liabilities that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter, the assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale or distribution and subsequent gains nor losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Plant and equipment once classified as held for sale are not depreciated.

**(i) Employee benefits**

**(i) *Defined contribution plans***

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

**(ii) *Short-term employee benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(iii) *Share-based payment transactions***

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

**(j) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**(k) Revenue recognition**

**(i) *Chartering and offshore support services***

Revenue from chartering and offshore support services relates to chartering of vessels and is recognised in profit or loss on a straight-line basis over the respective term of the charter, net of trade discounts.

**(ii) *Rendering of marine services***

Revenue from rendering of marine services is recognised as and when the related service is rendered.

**(iii) *Sale of goods***

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

**(iv) *Management services fees***

Management services fees are recognised as and when the related services are rendered.

**(v) *Dividend income***

Dividend income is recognised in profit or loss when the shareholders' right to receive payment is established.

**(l) Finance income and costs**

Finance income comprises interest income on bank deposits and finance leases. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

**(m) Income tax expense**

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous periods.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of the existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

**(n) Earnings per share**

The Group presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise redeemable exchangeable preference shares and share options granted to employees.

**(o) Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. All operating segments’ operating results are reviewed regularly by the Group’s Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group’s Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company’s headquarters), head office expenses and tax liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire plant and equipment.

**(p) New standards and interpretations issued but not yet effective in the financial year ended 31 December 2016.**

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2016, and earlier application is permitted; however, the Group has not early applied the following new or amended standards in preparing these statements.

For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Group and the Company in future financial periods, management has completed its preliminary assessment and will perform detailed analysis on certain available policy choices, transitional optional exemptions and practical expedients. The Group does not plan to adopt these standards early.

**Applicable to 2018 financial statements**

**New standards**

<b>Summary of the requirements</b>	<b>Potential impact on the financial statements</b>
<p><b>FRS 115 Revenue from Contracts with Customers</b></p> <p>FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.</p> <p>When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 <i>Revenue</i>, FRS 11 <i>Construction Contracts</i>, INT FRS 113 <i>Customer Loyalty Programmes</i>, INT FRS 115 <i>Agreements for the Construction of Real Estate</i>, INT FRS 118 <i>Transfers of Assets from Customers</i> and INT FRS 31 <i>Revenue – Barter Transactions Involving Advertising Services</i>.</p> <p>FRS 115 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. FRS 115 offers a range of transition options including full retrospective adoption where an entity can choose to apply the standard to its historical transactions and retrospectively adjust each comparative period presented in its 2018 financial statements. When applying the full retrospective method, an entity may also elect to use a series of practical expedients to ease transition.</p>	<p>During 2016, the Group completed its initial assessment of the impact on the Group's financial statements.</p> <p>Overall, the Group does not expect a significant impact on the financial statements in the year of initial adoption. The Group's initial assessment is as described below</p> <p><b>Identification of performance obligations and timing of revenue recognition</b></p> <p>The Group main sources of revenue can be summarised as:-</p> <ul style="list-style-type: none"> <li>- chartering and offshore support services</li> <li>- rendering of marine services</li> </ul> <p>The Group expects to recognise a new revenue stream as a result of the separation of non-lease components such as crewing, maintenance and others from its chartering services.</p> <p>Currently, the Group recognised its leasing revenue from chartering contracts, which include a services component, on a straight line basis over the contract period.</p> <p><b>Transition</b> - The Group plans to adopt the standard when it becomes effective in 2018 using the full retrospective approach modified by practical expedients. The Group is currently performing a detailed analysis under FRS 115 to determine its election of the practical expedients and to quantify the transition adjustments on its financial statements.</p>

<b>Summary of the requirements</b>	<b>Potential impact on the financial statements</b>
<p><b>FRS 109 Financial Instruments</b></p> <p>FRS 109 replaces most of the existing guidance in FRS 39 <i>Financial Instruments: Recognition and Measurement</i>. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from FRS 39.</p> <p>FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 January 2018.</p>	<p>During 2016, the Group completed its initial assessment of the impact on the Group’s financial statements.</p> <p>Overall, the Group does not expect a significant impact on its opening equity for the effect of applying the impairment requirements of FRS 109. The Group’s initial assessment of the three elements of FRS 109 is as described below.</p> <p><b>Classification and measurement</b> - The Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109.</p> <p>Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under FRS 109.</p> <p>For equity investment currently classified as available for sale, the group expects to classify it as financial assets subsequently measured at fair value through other comprehensive income (“FVOCI”) as they are held to maintain liquidity for the Group and may be sold from time to time should the need arises.</p> <p><b>Impairment</b> – On adoption of FRS 109, the Group does not expect a significant increase in the impairment loss allowance because it currently applies a specific identification basis of impairment assessment on all its customers on an individual basis, using the incurred loss model. The Group plans to apply the simplified approach and record lifetime expected impairment losses for all trade receivables.</p> <p><b>Hedge accounting</b> - The Group expects that all its existing hedges that are designated in effective hedging relationships will continue to qualify for hedge accounting under FRS 109.</p> <p><b>Transition</b> - The Group plans to adopt the standard when it becomes effective in 2018 without restating comparative information. The Group will perform detailed analysis of certain available policy choices and other refinements as described above.</p>



*Convergence with International Financial Reporting Standards (IFRS)*

In addition, the Accounting Standards Council (ASC) announced on 29 May 2014, that Singapore-incorporated companies listed on the Singapore Exchange (SGX) will apply a new financial reporting framework identical to the International Financial Reporting Standards (referred to as SG-IFRS in these financial statements) for the financial year ending 31 December 2018, onwards.

The Group has performed a preliminary assessment of the impact of SG-IFRS 1 First-time adoption of International Financial Reporting Standards for the transition to the new reporting framework. Based on the Group's preliminary assessment, the Group expects that the impact on adoption of SG-IFRS 15 Revenue from Contracts with Customers and SG-IFRS 9 Financial Instruments will be similar to adopting FRS 115 and FRS 109 as described in this Note.

Other than arising from the adoption of new and revised standards, the Group does not expect to change its existing accounting policies on adoption of the new framework.

The Group will perform detailed analysis of certain available policy choices, transitional optional exemptions and transitional mandatory exceptions under SG-IFRS 1 and the preliminary assessment may be subject to changes arising from the detailed analyses.

**Applicable to 2019 financial statements**

**New standards**

<b><u>Summary of the requirements</u></b>	<b><u>Potential impact on the financial statements</u></b>
<p><b>FRS 116 Leases</b></p> <p>FRS 116 eliminates the lessee’s classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</p> <p>FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 <i>Leases</i>. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor.</p> <p>When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 <i>Determining whether an Arrangement contains a Lease</i>, INT FRS 15 <i>Operating Leases – Incentives</i>, and INT FRS 27 <i>Evaluating the Substance of Transactions Involving the Legal Form of a Lease</i>.</p> <p>FRS 116 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if FRS 115 is also applied.</p>	<p>The Group has performed a preliminary high-level assessment of the new standard on its existing operating lease arrangements as a lessee (refer to Note 28(b)). Based on the preliminary assessment, the Group expects these operating leases to be recognised as ROU assets with corresponding lease liabilities under the new standard. Assuming no additional new operating leases in future years until the effective date, the Group expects the amount of ROU asset and lease liability to be lower due to discounting and as the lease terms run down.</p> <p>The Group plans to adopt the standard when it becomes effective in 2019. The Group will perform a detailed analysis of the standard, including the transition options and practical expedients.</p> <p>The Group expects that the impact on adoption of IFRS 16 Leases to be similar to adopting SG-FRS 116, after the transition to SG-IFRS in 2018 as described above.</p>

## 4 Plant and equipment

Group	Note	Assets under construction US\$'000	Vessels US\$'000	Assets on board the vessels US\$'000	Dry-docking expenditure US\$'000	Rig and other oil and gas related assets US\$'000	Renovation, furniture, fittings and office equipment US\$'000	Motor vehicles US\$'000	Total US\$'000
<b>Cost</b>									
At 1 January 2015		775,899	375,878	2,824	14,356	1,139,498	1,916	711	2,311,082
Additions		193,864	4,676	3	2,730	231,101	599	–	432,973
Reclassification		(213,690)	–	–	–	213,690	–	–	–
Reclassification to assets held for sale	10	–	–	–	–	(117,427)	–	–	(117,427)
Translation differences on consolidation		–	(1,034)	–	–	(5,382)	–	–	(6,416)
At 31 December 2015		756,073	379,520	2,827	17,086	1,461,480	2,515	711	2,620,212
Additions		48,213	2,399	11	11,377	56,385	191	–	118,576
Disposals		–	(9,723)	(149)	(1,384)	–	(18)	–	(11,274)
Reclassification		(175,772)	–	–	–	175,772	–	–	–
Translation differences on consolidation		–	(79)	–	–	(1,759)	–	–	(1,838)
At 31 December 2016		628,514	372,117	2,689	27,079	1,691,878	2,688	711	2,725,676
<b>Accumulated depreciation and impairment losses</b>									
At 1 January 2015		–	43,259	2,124	1,222	127,194	1,294	409	175,502
Depreciation charge for the year		–	16,128	256	610	117,350	439	90	134,873
Impairment loss for the year		–	9,446	–	–	28,454	–	–	37,900
Reclassification to assets held for sale	10	–	–	–	–	(11,874)	–	–	(11,874)
Translation differences on consolidation		–	(52)	–	–	(254)	–	–	(306)
At 31 December 2015		–	68,781	2,380	1,832	260,870	1,733	499	336,095
Depreciation charge for the year		–	15,611	208	2,990	131,363	357	83	150,612
Disposals		–	(3,734)	(115)	(625)	–	(18)	–	(4,492)
Impairment loss for the year		11,717	11,477	–	–	22,453	–	–	45,647
Translation differences on consolidation		–	(22)	–	–	(611)	1	–	(632)
At 31 December 2016		11,717	92,113	2,473	4,197	414,075	2,073	582	527,230
<b>Carrying amounts</b>									
At 1 January 2015		775,899	332,619	700	13,134	1,012,304	622	302	2,135,580
At 31 December 2015		756,073	310,739	447	15,254	1,200,610	782	212	2,284,117
At 31 December 2016		616,797	280,004	216	22,882	1,277,803	615	129	2,198,446

During the financial year, the Group acquired plant and equipment with an aggregate cost of approximately US\$118,576,000 (2015: US\$432,973,000) of which approximately US\$2,351,000 (2015: US\$71,789,000) was paid in advance to the suppliers in the previous year.

<b>Company</b>	<b>Renovation, furniture, fittings and office equipment US\$'000</b>	<b>Motor vehicles US\$'000</b>	<b>Total US\$'000</b>
<b>Cost</b>			
At 1 January 2015	1,454	712	2,166
Additions	169	–	169
At 31 December 2015	1,623	712	2,335
Additions	130	–	130
At 31 December 2016	1,753	712	2,465
<b>Accumulated depreciation</b>			
At 1 January 2015	1,009	410	1,419
Depreciation charge for the year	259	90	349
At 31 December 2015	1,268	500	1,768
Depreciation charge for the year	208	83	291
At 31 December 2016	1,476	583	2,059
<b>Carrying amounts</b>			
At 1 January 2015	445	302	747
At 31 December 2015	355	212	567
At 31 December 2016	277	129	406

***Impairment assessment***

*Vessels and rigs (including assets under construction)*

In 2015, the significant decline in oil prices had an adverse impact on charter rates and valuation of the Group's rigs and vessels. As a result, the Group tested its vessels and rigs for impairment and recognised impairment losses of US\$9,446,000 and US\$28,454,000 for the vessels and rigs respectively. In 2016, the weak oil prices continued to have an adverse impact on the chartering rates and utilisation rates of the Group's vessel and rigs. As a result, the Group further impaired its vessels and rigs for an impairment of US\$11,477,000 and US\$34,170,000 respectively. The impairment losses were included in 'other operating expenses' in the Group's income statement.

For the purpose of impairment assessment, each vessel and rig is a separate cash-generating unit ("CGU") and management estimated the recoverable amounts of the vessels and rigs based on their value in use.

The value in use calculation was based on cash flow projections with the following key assumptions:

	<b>Vessels</b>	<b>Rigs</b>
Period of cash flow projections	Estimated remaining useful life	Estimated remaining useful life
Charter rates		
- FY2017 to FY2018	Actual FY2016 or FY2017 secured charter rates	Actual FY2016 or FY2017 secured charter rates
- FY2019 onwards	Same rates as assumed for FY2017 to FY2018	An average upwards revision of 14% in FY2019 and no change thereafter
Projected utilisation rate upon deployment		
- FY2017	10% (2015: 10%)	50% - 75% (2015: 50%-75%)
- FY2018 onwards	50% - 55% (2015: 50%-55%)	90% (2015: 90%)
Pre-tax discount rate	9.2% (2015: 8.9%)	10.1% (2015:9.3%)

The cash flow projections were based on forecasts prepared by the management taking into account of past experience and existing market conditions. The discount rates applied to the cash flow projections were estimated based on weighted average cost of capital of similar assets. Following the impairment loss recognised in the vessels and rigs, the recoverable amounts are equal to the carrying amounts and any adverse movements in the key assumptions can lead to further impairment losses in future periods.

### **Security**

At 31 December 2016, plant and equipment of the Group with carrying amount of US\$1,926,099,000 (2015: US\$2,176,831,000) are pledged as security to secure the term loans facilities (note 18).

### **Assets under construction**

The Group has assets under construction with costs capitalised up to the reporting date totalling US\$616,797,000 (2015: US\$756,073,000). Included in the aforementioned capitalised costs are borrowing costs related to the construction of assets amounting to US\$74,713,000 (2015: US\$56,282,000). Borrowing costs capitalised during the year amounted to US\$24,274,000 (2015: US\$26,511,000).

The depreciation charge of the Group is recognised in the following line items of profit or loss:

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Cost of sales	150,193	134,380
Administrative expenses	419	493
	<u>150,612</u>	<u>134,873</u>

## 5 Subsidiaries

	<b>Company</b>	
	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Equity investments, at cost	295,835	291,418
Impairment losses	(39,957)	(27,286)
	<u>255,878</u>	<u>264,132</u>
Loans to subsidiaries	1,166,258	1,009,664
Impairment losses	(136,622)	(46,570)
	<u>1,029,636</u>	<u>963,094</u>
	<u>1,285,514</u>	<u>1,227,226</u>

Except for amounts of US\$505,130,000 (2015: US\$445,056,000) which bear interest ranging from 3.65% to 5.10% (2015: 3.65% to 5.10%) per annum, the loans to subsidiaries are interest-free. The loans to subsidiaries are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. As the amounts are, in substance, a part of the Company's net investments in the subsidiaries, they are stated at cost less impairment.

### *Impairment losses*

The change in impairment loss in respect of equity investments in subsidiaries was as follows:

	<b>Company</b>	
	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>
At 1 January	27,286	155
Utilised	–	(155)
Impairment losses	12,671	27,286
At 31 December	<u>39,957</u>	<u>27,286</u>

The change in impairment loss in respect of loans to subsidiaries was as follows:

	<b>Company</b>	
	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>
At 1 January	46,570	–
Impairment losses	90,052	46,570
At 31 December	<u>136,622</u>	<u>46,570</u>

The impairment losses amounting to US\$12,671,000 (2015: US\$27,286,000) and US\$90,052,000 (2015: US\$46,570,000) in 2016 were recognised in respect of the Company's investments in and loans to subsidiaries as a result of losses incurred by these subsidiaries in their underlying assets. Management assessed the recoverable amounts for each of the relevant subsidiaries based on the recoverable amounts of the net assets owned by the subsidiaries, which comprise predominantly vessels and rigs whose recoverable amounts were estimated using the value in use calculations as described in note 4.

A subsidiary is considered significant if its net tangible assets represent 2% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 2% or more than the Group's consolidated pre-tax profits.

Details of the significant subsidiaries are as follows:

<b>Name of significant subsidiary</b>	<b>Principal activities</b>	<b>Country of incorporation</b>	<b>2016 %</b>	<b>2015 %</b>
<u>Held by the Company</u>				
Teras Offshore Pte Ltd <sup>1</sup>	Shipping agent and provision of ship chartering services, ship management services and engineering works.	Singapore	100	100
Teras Conquest 2 Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Conquest 5 Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Conquest 6 Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras 375 Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Pneuma Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Atlantic London Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras 336 Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Atlantic Esbjerg Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Atlantic Amsterdam Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Atlantic Tiburon 2 Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Ezion Investments Pte Ltd <sup>1</sup>	Investment holding	Singapore	100	100
Kenai Offshore Ventures, LLC <sup>2</sup>	Ship owner and provision of ship chartering services	United States of America	100	100
Teras Conquest 1 Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100



Name of significant subsidiary	Principal activities	Country of incorporation	2016 %	2015 %
<u>Held by the Company (continued)</u>				
Teras Conquest 4 Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Conquest 3 Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Transporter Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Fortress 2 Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Atlantic Tiburon 1 Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Harta Maritime Limited <sup>2</sup>	Ship owner and provision of ship chartering services	Bahamas	100	100
Teras Investments Pte Ltd <sup>1</sup>	Investment holding	Singapore	100	100
Meridian Maritime Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Sunrise Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Oranda Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Progress Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Wallaby Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Atlantic Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
<u>Held by Teras Investments Pte Ltd</u>				
Other indirect significant subsidiary:				
Resilient Energy Limited <sup>3</sup>	Ship owner and provision of ship chartering services	Malaysia	100	100
GSP Magellan Limited <sup>3</sup>	Ship owner and provision of ship chartering services	Malaysia	100	100
Nora Limited <sup>3</sup>	Ship owner and provision of ship chartering services	Malaysia	100	100

Name of significant subsidiary	Principal activities	Country of incorporation	2016 %	2015 %
<u>Held by Ezion Investments Pte Ltd</u>				
Other indirect significant subsidiaries:				
Teras Oranda Limited <sup>2</sup>	Ship owner, provision of ship chartering services and cargo transportation	British Virgin Islands	100	100
Teras BBC Houston (BVI) Limited <sup>2</sup>	Ship owner, provision of ship chartering services and cargo transportation	British Virgin Islands	100	100
Victory Drilling Limited <sup>4</sup>	Ship owner and provision of ship chartering services	Mauritius	100	100
Jackup Drilling Limited <sup>4</sup>	Ship owner and provision of ship chartering services	Mauritius	100	100
Ezion Exerter Limited <sup>4</sup>	Ship owner and provision of ship chartering services	Mauritius	100	100
Teras Endeavour Limited <sup>4</sup>	Ship owner and provision of ship chartering services	Mauritius	100	100
Teras Maritime Pty Ltd <sup>5</sup>	Ship owner and provision of ship chartering services	Australia	100	100
<u>Held by Teras Conquest 3 Pte Ltd</u>				
Other indirect significant subsidiary:				
Atlantic Labrador Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100

<sup>1</sup> Audited by KPMG LLP, Singapore.

<sup>2</sup> Not required to be audited in accordance with the law of the country of incorporation.

<sup>3</sup> Audited by PKF, Malaysia.

<sup>4</sup> Audited by KPMG (Mauritius).

<sup>5</sup> Audited by RSM, Australia.

## 6 Joint ventures

	Group		Company	
	2016 US\$'000	2015 US\$'000	2016 US\$'000	2015 US\$'000
Interests in joint ventures	94,298	75,878	15,943	15,737
Loans to joint ventures	77,286	55,476	36,289	36,022
	171,584	131,354	52,232	51,759

Except for amounts of US\$48,996,000 (2015: US\$27,579,000) which bear interest ranging from 4.55% to 8.00% per annum (2015: 6.00% to 8.00% per annum), the loans to joint ventures are interest-free. The loans to joint ventures are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. As the amounts are, in substance, a part of the Company's net investments in the joint ventures, they are stated at cost.

The Group has one (2015: one) joint venture that is material and a number of joint ventures that are individually immaterial to the Group. All joint ventures are equity accounted. The following is the Group's material joint venture:

**Strategic Offshore Limited (SOL)**

Nature of relationship with the Group	Strategic partner principally engaged in offshore logistic support vessels' services
Country of incorporation	Malta
Ownership interest	50% (2015: 50%)

The above joint arrangement in which the Group has joint control, is an unlisted entity.

The following table summarises the financial information of the Group's material joint venture, based on its financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also includes summarised financial information for the Group's interest in immaterial joint ventures, based on the amounts reported in the Group's consolidated financial statements.

	<b>SOL</b> <b>US\$'000</b>
<b>2016</b>	
Revenue	59,627
Profit from operations	<u>26,067</u>
<b>Total comprehensive income</b>	<u><u>26,067</u></u>
Includes:	
- depreciation and amortisation of US\$15,553,000	
- interest expense of US\$5,249,000	
- income tax expense of US\$2,215,000	
Non-current assets	179,464
Current assets	119,368
Non-current liabilities	(91,142)
Current liabilities	<u>(73,759)</u>
<b>Net assets</b>	<u><u>133,931</u></u>
Includes:	
- cash and cash equivalents of US\$586,000	
- non-current financial liabilities (excluding trade and other payables and provisions) of US\$21,415,000	
- current financial liabilities (excluding trade and other payables and provisions) of US\$34,826,000	

	<b>SOL</b> <b>US\$'000</b>	<b>Immaterial</b> <b>joint ventures</b> <b>US\$'000</b>	<b>Total</b> <b>US\$'000</b>
<b>Group's interest in net assets of investee at beginning of the year</b>	60,522	15,356	75,878
Group's share of profit from operations	13,034	143	13,177
Group's contribution during the year	–	5,243	5,243
Carrying amount of interest in investee at end of the year	<u>73,556</u>	<u>20,742</u>	<u>94,298</u>

	<b>SOL</b> <b>US\$'000</b>
<b>2015</b>	
Revenue	<u>61,356</u>
Profit from operations	<u>38,168</u>
<b>Total comprehensive income</b>	<u>38,168</u>

Includes:

- depreciation and amortisation of US\$15,553,000
- interest expense of US\$6,687,000
- income tax expense of US\$2,396,000

Non-current assets	193,767
Current assets	80,019
Non-current liabilities	(97,396)
Current liabilities	(68,525)
<b>Net assets</b>	<u>107,865</u>

Includes:

- cash and cash equivalents of US\$12,607,000
- non-current financial liabilities (excluding trade and other payables and provisions) of US\$87,215,000
- current financial liabilities (excluding trade and other payables and provisions) of US\$34,749,000

	<b>SOL</b> <b>US\$'000</b>	<b>Immaterial</b> <b>joint ventures</b> <b>US\$'000</b>	<b>Total</b> <b>US\$'000</b>
<b>Group's interest in net assets of investee at beginning of the year</b>	41,438	7,884	49,322
Group's share of profit from operations	19,084	8,819	27,903
Group's contribution during the year	–	3	3
Return of capital during the year	–	(1,350)	(1,350)
Carrying amount of interest in investee at end of the year	<u>60,522</u>	<u>15,356</u>	<u>75,878</u>

The joint ventures had no capital commitments and contingent liabilities as at 31 December 2016 and 2015.

### *Joint operations*

During the year, the Group entered into 2 joint operations arrangement and became 49% partner in PT Teras Marine Indonesia (“PTTMI”) and PT Conquest Offshore Indonesia (“PTCOI”) respectively to jointly operate two self-propelled jack-up rigs to provide charterer service to external customers.

The Group has classified PTTMI and PTCOI as joint operations. This is on the basis that the partners are legally obliged to the benefits, rights, liabilities and obligation arising from the operating activities based on their shareholding proportion.

## 7 Associates

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Interests in associates	46,806	48,392	64,243	51,253
Impairment loss	–	–	(35,905)	(21,500)
	46,806	48,392	28,338	29,753
Loan to an associate	31,995	24,229	31,815	24,229
	78,801	72,621	60,153	53,982

Details of the material associates are as follows:

	<b>Alpha Energy Holdings Limited<sup>1</sup> (Alpha Energy)</b>	<b>AusGroup Limited<sup>2</sup> (AusGroup)</b>	<b>Charisma Energy Services Limited<sup>1</sup> (Charisma Energy Services)</b>
Nature of relationship with the Group	Strategic partner in ownership of oil reserves in Alaska	Strategic partner in ownership and management of port and marine base in Australia	Strategic partner in ownership and management of energy assets
Country of incorporation	Singapore	Singapore	Singapore
Ownership interest	29.86% (2015: 29.86%)	17.83% (2015: 17.83%)	42.73% <sup>3</sup> (2015: 42.54%)
Fair value of ownership interest (if listed)	US\$2,932,000 (2015: US\$6,747,000)	US\$4,200,000 (2015: US\$14,010,000)	US\$23,137,000 (2015: US\$46,356,000)

<sup>1</sup> Audited by KPMG LLP, Singapore.

<sup>2</sup> Audited by PricewaterhouseCoopers LLP, Singapore

<sup>3</sup> Voting rights held: 21.36% (2015: 21.27%)

The Group has less than 20% ownership of the equity interests of AusGroup. However, the Group determined that it has significant influence because it has representation on the board of directors of AusGroup Limited.

During the year, the Group subscribed for:

- 115,193,000 new ordinary shares in the capital of Charisma Energy Services Limited, by way of share options at an exercise price of S\$0.002 per share and the consideration for the subscription shares were satisfied by cash; and
- 321,000 new ordinary shares in the capital of Rotating Offshore Solutions Pte Ltd (“ROS”), at an issue price of S\$56.00 per share representing 30% interest in ROS. The consideration for the subscription shares were satisfied by shares of the Company.

In 2015, the Group subscribed for:

- 370,000,000 new ordinary shares in the capital of Charisma Energy Services Limited, by way of share options at an exercise price of S\$0.0018 per share and the consideration for the subscription shares were satisfied by cash; and
- 64,000,000 new ordinary shares in the capital of Alpha Energy Limited, at an issue price of S\$0.09 per share and the consideration for the subscription shares were satisfied by cash.

The following summarises the financial information of each of the Group’s material associates based on their respective (consolidated) financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group’s accounting policies. The table also includes summarised financial information for the Group’s interest in immaterial associates, based on the amounts reported in the Group’s consolidated financial statements.

	<b>Charisma Energy Services US\$’000</b>	<b>AusGroup US\$’000</b>
<b>2016</b>		
Revenue	24,537	270,225
Profit/(Loss) from operations	1,234	(92,145)
Other comprehensive income	(292)	988
<b>Total comprehensive income</b>	<b>942</b>	<b>(91,157)</b>
Non-current assets	141,228	105,454
Current assets	11,845	129,017
Non-current liabilities	(48,856)	(119,321)
Current liabilities	(19,075)	(121,365)
<b>Net assets/(liabilities)</b>	<b>85,142</b>	<b>(6,215)</b>

	<b>Charisma Energy Services US\$'000</b>	<b>AusGroup US\$'000</b>	<b>Immaterial associates US\$'000</b>	<b>Total US\$'000</b>
<b>2016</b>				
<b>Group's interest in net assets of investee at beginning of the year</b>	21,878	14,405	12,109	48,392
Group's share of:				
- profit/(loss) from operations	949	(14,807)	(1,360)	(15,218)
- other comprehensive income	–	402	–	402
Translation difference	–	–	239	239
Group's contribution during the year	190	–	12,801	12,991
<b>Carrying amount of interest in investee at end of the year</b>	<b>23,017</b>	<b>–</b>	<b>23,789</b>	<b>46,806</b>

	<b>Charisma Energy Services US\$'000</b>	<b>AusGroup US\$'000</b>
<b>2015</b>		
Revenue	24,290	325,202
Profit/(Loss) from operations	9,041	(49,920)
Other comprehensive income	–	12,082
<b>Total comprehensive income</b>	<b>9,041</b>	<b>(37,838)</b>
Non-current assets	109,733	228,727
Current assets	22,249	163,316
Non-current liabilities	(68,382)	(43,307)
Current liabilities	(18,237)	(217,624)
<b>Net assets</b>	<b>45,363</b>	<b>131,112</b>

	<b>Charisma Energy Services US\$'000</b>	<b>AusGroup US\$'000</b>	<b>Immaterial associates US\$'000</b>	<b>Total US\$'000</b>
<b>2015</b>				
<b>Group's interest in net assets of investee at beginning of the year</b>	12,661	25,738	2,711	41,110
Group's share of:				
- profit/(loss) from operations	4,508	(8,903)	(60)	(4,455)
- other comprehensive income	–	2,155	–	2,155
Translation difference	4,219	–	4,663	8,882
Group's contribution during the year	–	(4,585)	578	(4,007)
Disposal of an associate	490	–	4,217	4,707
<b>Carrying amount of interest in investee at end of the year</b>	<b>21,878</b>	<b>14,405</b>	<b>12,109</b>	<b>48,392</b>

## 8 Other assets, including derivatives

	<b>Group</b>		<b>Company</b>	
	<b>2016 US\$'000</b>	<b>2015 US\$'000</b>	<b>2016 US\$'000</b>	<b>2015 US\$'000</b>
<b>Non-current</b>				
Available-for-sale equity security	–	48	–	–
Deposits to suppliers	2,700	6,445	–	–
Loan to investee company	–	4,952	–	–
Prepayments	110	121	110	121
Interest rate swaps used for hedging	2,131	–	2,131	–
	<b>4,941</b>	<b>11,566</b>	<b>2,241</b>	<b>121</b>
<b>Current</b>				
Available-for-sale equity security	48	–	–	–
Advances to suppliers	47,512	44,533	6	–
Deposits to suppliers	10,171	9,764	4,140	4,138
Prepayments	4,776	3,552	55	80
Non-trade amounts due from:				
- associates	926	437	926	437
- joint ventures and joint operations	74,398	–	425	392
Interest receivables	8,886	6,879	59,666	41,015
Other receivables	17,369	15,023	2,835	2,799
	<b>164,086</b>	<b>80,188</b>	<b>68,053</b>	<b>48,861</b>
<b>Total</b>	<b>169,027</b>	<b>91,754</b>	<b>70,294</b>	<b>48,982</b>



The equity security is unquoted and stated at cost less impairment loss, as there is no active market for the investment and its fair value could not be reliably measured.

Deposits to suppliers largely relate to deposits made to service providers, such as vessel owners.

Included in other receivables is an amount of US\$4,952,000 related to loan to investee company which is interest-free, unsecured and repayable within one year. In prior year, loan to investee company was interest-free, unsecured and settlement was neither planned nor likely to occur in foreseeable future. As the amount was in substance, a part of the Group's investment in an investee company, it was stated at cost.

Non-trade amounts due from associates, joint ventures and joint operations are unsecured, interest-free and repayable on demand. There is no allowance for doubtful debts arising from outstanding non-trade balances with related parties.

Deposits to suppliers, non-trade amounts due from related parties, interest receivables and other receivables are not past due.

There are no impairment losses arising from deposits to suppliers, non-trade amounts due from related parties, interest receivables and other receivables.

At 31 December 2016, the Group held interest rate swaps with a total notional amount of US\$225,000,000. The Group has designated these interest rate swaps as cash flow hedges to provide fixed rate funding for a term of between 1 to 4 years.

## 9 Trade receivables

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Trade amounts due from:				
- associates	12,725	12,660	-	-
- joint ventures	-	-	242	243
- subsidiaries	-	-	9,357	7,813
- third parties	241,164	230,358	-	21
	<u>253,889</u>	<u>243,018</u>	<u>9,599</u>	<u>8,077</u>
Impairment losses	(74,990)	(49,771)	-	-
Total trade receivables	<u>178,899</u>	<u>193,247</u>	<u>9,599</u>	<u>8,077</u>

Trade amounts due from associates, joint ventures and subsidiaries are unsecured and are not past due. There are no impairment losses (2015: no impairment losses) arising from outstanding trade balances due from the associates, joint ventures and subsidiaries in the current financial year.

The Group's primary exposure to credit risk relating to trade receivables from third parties arising mainly from the chartering activities by the subsidiaries. These customers are mainly national oil majors that are engaged in a wide spectrum of offshore activities. The Group and the Company's exposure to credit risk for trade receivables are disclosed in note 31.

The maximum exposure to credit risk for trade receivables, excluding trade amounts due from subsidiaries at the reporting date (by type of customer) was:

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Government related and multi-national entities	163,202	185,100	–	21
Small-medium enterprises	15,697	8,147	242	243
	<u>178,899</u>	<u>193,247</u>	<u>242</u>	<u>264</u>

***Impairment losses***

The ageing of trade receivables due from third parties and associates at the reporting date was:

	<b>2016</b>		<b>2015</b>	
	<b>Gross</b>	<b>Impairment</b>	<b>Gross</b>	<b>Impairment</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Group</b>				
Not past due or less than 60 days overdue	74,630	–	67,208	–
Past due 61 – 120 days	14,264	–	23,781	–
Past due more than 120 days	164,995	(74,990)	152,029	(49,771)
	<u>253,889</u>	<u>(74,990)</u>	<u>243,018</u>	<u>(49,771)</u>

The change in impairment loss in respect of trade receivables during the year was as follows:

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>
At 1 January	49,771	6,543
Impairment loss	25,219	43,228
At 31 December	<u>74,990</u>	<u>49,771</u>

At 31 December 2016, impairment losses of the Group amounted to US\$74,990,000 (2015: US\$49,771,000), which relate to customers who have indicated that they are not expecting to be able to pay their full outstanding balances, mainly due to economic circumstances.

Apart from the above, based on historical default rates, the Group believes that no additional impairment allowance is necessary in respect of the remaining trade receivables.

## **10 Assets held for sale and liabilities relating to assets held for sale**

As at 31 December 2015, the Group committed to a plan to sell two self-propelled jack-up rigs to its two joint operations (Note 6). Accordingly, the carrying amounts of these two service rigs and their related secured bank loans were presented as assets held for sale and liabilities relating to assets held for sale respectively. The sale was completed during the year and the Group's share of gain amounting to US\$26,251,000 was recognised in profit or loss.

## 11 Cash and cash equivalents

	Group		Company	
	2016 US\$'000	2015 US\$'000	2016 US\$'000	2015 US\$'000
Cash at bank and in hand	114,951	90,494	60,995	50,620
Fixed deposits	90,002	139,262	88,502	137,762
	204,953	229,756	149,497	188,382

The interest rates for cash at bank and fixed deposits for the Group and the Company range between 0.50% and 2.03% (2015: 0.70% and 2.03%) per annum.

## 12 Share capital

	Group and Company	
	2016 No. of shares '000	2015 No. of shares '000
At 1 January	1,580,941	1,578,988
Shares issued during the year	496,086	–
Exercise of share options	–	1,953
At 31 December	2,077,027	1,580,941

All shares rank equally with regard to the Company's residual assets. All issued shares are fully paid with no par value.

### Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

### *Issuance of ordinary shares*

In 2016, the following shares were issued:

- (i) 17,498,000 new ordinary shares issued at an issue price of US\$0.7276 (equivalent to S\$1.0287) per share, amounting to US\$12,731,000 (equivalent to S\$18,000,000) to acquire 30% interest in Rotary Offshore Solutions Pte Ltd;
- (ii) 478,576,000 new ordinary shares ("right issues") issued at an issue price of US\$0.21 (equivalent to S\$0.29) per share amounting to US\$101,866,000 (equivalent to S\$137,265,000), pursuant to the renounceable underwritten rights issue undertaken by the Company on the basis of three Rights Shares for every ten existing ordinary shares of the Company; and
- (iii) 12,000 new ordinary shares issued pursuant to the exercise of 12,000 warrants by various warrant holders.

***Exercise of share option***

In 2016, there were no shares issued under the Company's Employee Share Option Scheme.

In 2015, the following shares were issued under the Company's Employee Share Option Scheme:

- (i) 288,000 shares issued at an exercise price of US\$0.212 (equivalent to S\$0.288), amounting to US\$61,000 (equivalent to S\$83,000);
- (ii) 1,622,040 shares issued at an exercise price of US\$0.38 (equivalent to S\$0.514), amounting to US\$616,000 (equivalent to S\$834,000); and
- (iii) 43,200 shares issued at an exercise price of US\$0.81 (equivalent to S\$1.083), amounting to US\$35,000 (equivalent to S\$47,000).

***Capital management***

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may issue new shares, buy back issued shares, obtain new borrowings or reduce its borrowings.

The Group monitors capital based on gearing ratio. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as financial liabilities and notes payable less cash and cash equivalents. Total equity includes equity attributable to owners of the Company, perpetual securities, redeemable exchangeable preference shares, reserves and retained earnings.

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Financial liabilities	1,119,122	1,226,355
Notes payable	372,040	378,691
Less: Cash and cash equivalents	(204,953)	(229,756)
Net debt	1,286,209	1,375,290
Total equity	1,315,384	1,241,310
Gearing ratio (times)	0.98	1.11

There were no changes in the Group's approach to capital management during the year.

The Singapore vessels-owning companies are required to have a minimum share capital of US\$34,571 (equivalent to S\$50,000) as required by the Maritime and Port Authority of Singapore. Except for the above, the Company and its subsidiaries are not subject to externally imposed capital requirements.

## 13 Perpetual securities

The Company has a Multi-currency Debt Issuance Programme (the “Programme”) which allows the Company from time to time to issue notes and perpetual securities in any currency. The limit of the Programme was increased from S\$500 million to S\$1.5 billion with effect from 8 May 2014. Under the Programme, the perpetual securities shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank pari passu, without any preference among themselves, and with any parity obligations of the Company.

As at 31 December 2016, the Company has perpetual securities with a nominal principal amount of S\$150,000,000 (equivalent to US\$117,380,000) issued in 2014. The securities are perpetual, subordinated and the distribution interest of 7.0% per annum may be deferred at the sole discretion of the Company.

These perpetual securities are classified as equity instruments and recorded in equity in the consolidated statement of financial position. Transaction costs incurred in connection with the issuance of perpetual securities amounted to US\$881,000 (2015: US\$881,000).

As at 31 December 2016, the Group has accrued perpetual securities distribution of approximately US\$7,634,000 (2015: US\$12,520,000).

## 14 Redeemable exchangeable preference shares

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>
At 1 January and 31 December	23,464	23,464

In 2013, 300 redeemable exchangeable preference shares (“REPS”) were issued by a subsidiary of the Company (“Subsidiary”) at an issue price of S\$100,000 (equivalent to US\$78,388) per share (“Issue Price”). All issued shares are fully paid. The main terms and conditions of the subscription agreement are as follows:

- (a) The REPS are convertible into certain number of ordinary shares in the share capital of the Company based on an exchange price of S\$1.8214 (“Exchange Price”). The conversion ratio will be subject to the usual anti-dilution adjustments.
- (b) The holders of REPS shall have the right to convert:
  - (i) the first 50% of their holdings of REPS into Exchange Shares at the Exchange Price at any time starting from the first anniversary of the date of issue of REPS (“Issue Date”) and up to one business day before the third anniversary of the Issue Date (“Maturity Date”); and
  - (ii) the remaining 50% of their holdings of REPS into Exchange Shares at any time starting from the second anniversary of the Issue Date and up to one business day before the Maturity Date.

- (c) Save as otherwise provided herein under the clause entitled "Distribution Preference Deferral" and subject to the Companies Act (Chapter 50) of Singapore, the Preference Shares shall be entitled to:
- (i) an annual dividend equal to 5% of the Issue Price (the "Distribution Preference") in respect of the outstanding REPS as at the Maturity Date, with such Distribution Preference payable cumulatively on the Maturity Date; and
  - (ii) a one-off dividend equal to 3% of the Issue Price (the "One-Time Dividend") in respect of the REPS that are exchanged into Exchange Shares before the Maturity Date, with such One-Time Dividend payable no later than 5 business days after the date of exchange of the REPS into Exchange Shares,

(such date of payment of the Distribution Preference or the One-Time Dividend by the Subsidiary, a "Distribution Payment Date").

- (d) The Group may, at its sole discretion, elect to defer (in whole or in part) the payment of any Distribution Preference and/or One-Time Dividend which is otherwise scheduled to be paid on a Distribution Payment Date to a date no later than the date on which the Group pays a discretionary dividend, distribution or other payment (other than in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants) for the financial year in which the relevant Distribution Payment Date falls within.

The Group has no obligation to pay any dividend on any Distribution Payment Date if it validly elects not to do so.

- (e) Each holder of REPS shall have the right to exchange all of its holdings of REPS into Exchange Shares upon the occurrence of any of the following events prior to the Maturity Date:
- (i) a merger or consolidation of the Subsidiary with or into another entity (except a merger or consolidation in which the Group continues to hold at least 50% of the voting power of the capital of the surviving or acquiring entity);
  - (ii) a change in control in which in excess of 50% of the outstanding voting power of the Subsidiary is transferred;
  - (iii) the Subsidiary is unable to pay its debts as they fall due or is insolvent; or
  - (iv) the Subsidiary is subject to a liquidation or winding up action (whether voluntary or otherwise), or an administrator or receiver has been appointed over any of the assets of the Subsidiary, or if any of its material assets have been seized by a court order.

Such number of Exchange Shares is to be determined in accordance with the exchange formula.

- (f) Within five business days immediately after the Maturity Date, the Subsidiary has the option to redeem (upon which the Company shall guarantee) any amount of outstanding REPS not exchanged by the Holders as at the Maturity Date at a redemption price per REPS equal to the Issue Price in cash.

In the event that the Subsidiary does not exercise the aforementioned redemption option, all outstanding REPS as at the Maturity Date shall be automatically exchanged into Exchange Shares at the Exchange Price. For the avoidance of doubt, the Holders shall be entitled to the Distribution Preference on the outstanding Preference Shares as at the Maturity Date.

On 7 October 2016, the Company entered a supplemental agreement to the subscription agreement with the REPS holders and the Subsidiary, to amend the terms of the REPS as follows:

- (a) The maturity date of the REPS shall be extended by three years, from the date falling on the third anniversary of the Issue Date, being 10 October 2016, to the date falling on the sixth anniversary of the Issue Date, being 10 October 2019 (the “Extended Maturity Date”).
- (b) No annual dividend in respect of the outstanding REPS as at the Extended Maturity Date shall accrue and be payable for the period commencing from 11 October 2016 to the Extended Maturity Date.

Save as disclosed above, the terms and conditions of the subscription agreement shall continue to apply mutatis mutandis and shall remain in full force and effect.

In 2016 and 2015, no REPS in Subsidiary was exchanged by the holders for shares in the Company.

## 15 Reserves

The reserves of the Group and the Company comprise the following balances:

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Treasury shares	(1,480)	(1,480)	(1,480)	(1,480)
Foreign currency translation reserve	(30,008)	(29,333)	–	–
Hedging reserve	(55)	(1,504)	(55)	(1,429)
Statutory reserve	(6)	(6)	(6)	(6)
	<u>(31,549)</u>	<u>(32,323)</u>	<u>(1,541)</u>	<u>(2,915)</u>

### *Treasury shares*

Treasury shares comprise the cost of the Company’s shares held by the Group.

As at 31 December 2016, the Group held 3,184,000 (2015: 3,184,000) of the Company’s shares. All rights attached to the Company’s shares held by the Group are suspended until those shares are reissued.

### *Foreign currency translation reserve*

The foreign currency translation reserve comprises:

- (a) foreign exchange differences arising from the translation of the financial statements of subsidiaries whose functional currencies are different from the functional currency of the Company; and

- (b) the exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

***Hedging reserve***

The hedging reserve comprises the effective portion of the cumulative change (net of taxes) in the fair value of cash flow hedging instruments related to hedged transactions that have not yet affected profit or loss.

***Statutory reserve***

The statutory reserve comprises the difference between the fair value and the cost of treasury shares issued to certain employees pursuant to the Employee Share Plan (see note 21 (b)).

**16 Other payables, including derivatives**

	Group		Company	
	2016 US\$'000	2015 US\$'000	2016 US\$'000	2015 US\$'000
<b>Non-current</b>				
Other payables	15,000	15,000	–	–
Deposits from a supplier	2,000	2,000	–	–
Deposits from a customer	16,961	17,900	–	–
Interest rate swaps used for hedging	–	1,054	–	979
Non-trade amounts due to subsidiaries	–	–	141,817	89,206
	33,961	35,954	141,817	90,185
<b>Current</b>				
Payables to other suppliers	500	500	500	500
Downpayments and advances from customers	10,000	18,699	1,200	1,200
Deferred revenue	8,134	4,414	–	–
Non-trade amounts due to:				
- joint ventures	–	2,921	–	–
- subsidiaries	–	–	94,554	77,496
Accrued interest payable	7,398	6,552	5,033	5,111
Accrued expenses	8,225	9,996	6,901	8,397
Employee benefits	167	119	111	55
Other payables	8,422	6,890	1,941	1,137
	42,846	50,091	110,240	93,896
<b>Total</b>	76,807	86,045	252,057	184,081

At 31 December 2015, the Group held interest rate swaps with a total notional amount of US\$202,500,000. The Group designated these interest rate swaps as cash flow hedges to provide fixed rate funding for a term of between 1 to 2 years.

Non-current non-trade amounts due to subsidiaries are unsecured, interest-free and repayable in 2018 (2015: repayable in 2017).



Current non-trade amounts due to subsidiaries and joint ventures are unsecured, interest-free and repayable on demand.

## 17 Notes payable

	Maturity	Group		Company	
		2016 US\$'000	2015 US\$'000	2016 US\$'000	2015 US\$'000
SGD 60 million <sup>(1)</sup>	August 2018	41,319	41,730	41,319	41,730
SGD 50 million <sup>(2)</sup>	January 2019	34,463	35,201	34,463	35,201
SGD 110 million <sup>(3)</sup>	May 2019	75,562	77,529	75,562	77,529
SGD 55 million <sup>(4)</sup>	March 2020	37,839	38,651	37,839	38,651
SGD 150 million <sup>(5)</sup>	June 2021	101,191	102,376	101,191	102,376
SGD 120 million <sup>(6)</sup>	August 2020	81,666	83,204	81,666	83,204
		<u>372,040</u>	<u>378,691</u>	<u>372,040</u>	<u>378,691</u>

<sup>(1)</sup> The notes bear fixed interest rate of 4.60% (2015: 4.60%) per annum payable semi-annually, with fair value of approximately US\$34,147,000 (2015: US\$38,287,000) based on quoted market prices.

<sup>(2)</sup> The notes bear fixed interest rate of 4.85% (2015: 4.85%) per annum payable semi-annually, with fair value of approximately US\$26,426,000 (2015: US\$31,722,000) based on quoted market prices.

<sup>(3)</sup> The notes bear fixed interest rate of 4.70% (2015: 4.70%) per annum payable semi-annually, with fair value of approximately US\$56,037,000 (2015: US\$71,122,000) based on quoted market prices.

<sup>(4)</sup> The notes bear fixed interest rate of 5.10% (2015: 5.10%) per annum payable semi-annually, with fair value of approximately US\$25,134,000 (2015: US\$35,430,000) based on quoted market prices.

<sup>(5)</sup> The notes bear fixed interest rate of 4.875% (2015: 4.875%) per annum payable semi-annually, with fair value of approximately US\$61,517,000 (2015: US\$103,621,000) based on quoted market prices.

<sup>(6)</sup> The notes bear fixed interest rate of 3.65% (2015: 3.65%) per annum payable semi-annually, with fair value of approximately US\$82,993,000 (2015: US\$84,909,000) based on quoted market prices.

The above notes are listed on the Main Board of the Singapore Exchange Securities Trading Limited and the full carrying amount of the notes payable is classified as non-current.

## 18 Financial liabilities

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Non-current</b>				
Unsecured bank loans	12,659	12,659	12,659	12,659
Secured bank loans	772,373	834,374	41,054	42,436
Finance lease liabilities	24	48	24	48
Financial guarantees	3,011	4,020	58,345	82,169
	<u>788,067</u>	<u>851,101</u>	<u>112,082</u>	<u>137,312</u>
<b>Current</b>				
Secured bank loans	228,406	265,303	–	–
Unsecured bank loans	100,941	108,091	100,941	108,091
Finance lease liabilities	23	65	23	65
Financial guarantees	1,685	1,795	21,948	27,533
	<u>331,055</u>	<u>375,254</u>	<u>122,912</u>	<u>135,689</u>
<b>Total financial liabilities</b>	<u>1,119,122</u>	<u>1,226,355</u>	<u>234,994</u>	<u>273,001</u>

### *Secured bank loans*

All the bank loans were secured by corporate guarantees from the Company, first legal charge on the Group's vessels, legal assignment of the rental proceeds from the Group's vessels, assignment of insurances in respect of vessels in bank's favour and all monies standing to the credit of the Group's receiving operating account in respect of the vessels maintained by the Group with the bank.

The bank loans are secured on vessels, rigs and assets under construction with a carrying amount of US\$1,926,099,000 (2015: US\$2,176,831,000).

### *Terms and debt repayment schedule*

Terms and conditions of outstanding loans and borrowings are as follows:

	<b>Nominal</b>	<b>Year of</b>	<b>Carrying amount</b>	
			<b>interest rate</b>	<b>maturity</b>
	%		<b>US\$'000</b>	<b>US\$'000</b>
<b>Group</b>				
USD secured floating rate loans	2.56 – 3.56	2017 - 2022	959,725	1,057,241
SGD secured floating rate loan	4.08	2018	41,054	42,436
USD unsecured floating rate loans	2.08 – 3.60	2017 - 2018	113,600	120,750
SGD finance lease liabilities	2.20 – 2.28	2019	47	113
			<u>1,114,426</u>	<u>1,220,540</u>
<b>Company</b>				
SGD secured floating rate loan	4.08	2018	41,054	42,436
USD unsecured floating rate loans	2.08 – 3.60	2017 - 2018	113,600	120,750
SGD finance lease liabilities	2.20 – 2.28	2019	47	113
			<u>154,701</u>	<u>163,299</u>

### Finance lease liabilities

Finance lease liabilities are payable as follows:

	<-----2016----->			<-----2015----->		
	Principal US\$'000	Interest US\$'000	Future minimum lease payments US\$'000	Principal US\$'000	Interest US\$'000	Future minimum lease payments US\$'000
<b>Group and Company</b>						
Within 1 year	23	1	24	65	2	67
After 1 year but within 5 years	24	1	25	48	1	49
<b>Total</b>	<u>47</u>	<u>2</u>	<u>49</u>	<u>113</u>	<u>3</u>	<u>116</u>

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount US\$'000	Cash flows			
		Contractual cash flows US\$'000	Within 1 year US\$'000	Within 2 to 5 years US\$'000	After 5 years US\$'000
<b>Group</b>					
<b>2016</b>					
<b>Non-derivative financial liabilities</b>					
Secured bank loans	1,000,779	(1,095,057)	(287,398)	(776,700)	(30,959)
Unsecured bank loans	113,600	(117,096)	(104,118)	(12,978)	-
Notes payable	372,040	(432,353)	(17,405)	(414,948)	-
Finance lease liabilities	47	(49)	(24)	(25)	-
Financial guarantees <sup>(1)</sup>	4,696	(164,146)	(164,146)	-	-
Trade payables	112,074	(112,074)	(112,074)	-	-
Other payables <sup>(2)</sup>	58,673	(58,673)	(24,712)	(33,961)	-
	<u>1,661,909</u>	<u>(1,979,448)</u>	<u>(709,877)</u>	<u>(1,238,612)</u>	<u>(30,959)</u>

	Carrying amount US\$'000	Contractual cash flows US\$'000	Cash flows		
			Within 1 year US\$'000	Within 2 to 5 years US\$'000	After 5 years US\$'000
<b>Group</b>					
<b>2015</b>					
<b>Non-derivative financial liabilities</b>					
Secured bank loans	1,099,677	(1,181,629)	(305,298)	(866,442)	(9,889)
Unsecured bank loans	120,750	(123,753)	(110,847)	(12,906)	–
Notes payable	378,691	(460,564)	(17,870)	(334,004)	(108,690)
Finance lease liabilities	113	(116)	(67)	(49)	–
Financial guarantees <sup>(1)</sup>	5,815	(96,707)	(96,707)	–	–
Trade payables	126,165	(126,165)	(126,165)	–	–
Other payables <sup>(2)</sup>	61,878	(61,878)	(26,978)	(34,900)	–
Liabilities relating to assets held for sale	42,658	(43,484)	(43,484)	–	–
	<u>1,835,747</u>	<u>(2,094,296)</u>	<u>(727,416)</u>	<u>(1,248,301)</u>	<u>(118,579)</u>
<b>Derivative financial instruments</b>					
Interest rate swaps used for hedging	1,054	(1,293)	(1,125)	(168)	–
	<u>1,836,801</u>	<u>(2,095,589)</u>	<u>(728,541)</u>	<u>(1,248,469)</u>	<u>(118,579)</u>
<b>Company</b>					
<b>2016</b>					
<b>Non-derivative financial liabilities</b>					
Secured bank loans	41,054	(43,347)	(1,716)	(41,631)	–
Unsecured bank loans	113,600	(117,096)	(104,118)	(12,978)	–
Notes payable	372,040	(432,353)	(17,405)	(414,948)	–
Finance lease liabilities	47	(49)	(24)	(25)	–
Financial guarantees <sup>(1)</sup>	80,293	(1,215,856)	(1,215,856)	–	–
Trade payables	198	(198)	(198)	–	–
Other payables <sup>(2)</sup>	250,857	(250,857)	(109,040)	(141,817)	–
	<u>858,089</u>	<u>(2,059,756)</u>	<u>(1,448,357)</u>	<u>(611,399)</u>	<u>–</u>

	Carrying amount US\$'000	Contractual cash flows US\$'000	Cash flows		
			Within 1 year US\$'000	Within 2 to 5 years US\$'000	After 5 years US\$'000
<b>Company</b>					
<b>2015</b>					
<b>Non-derivative financial liabilities</b>					
Secured bank loans	42,436	(44,345)	(1,760)	(42,585)	–
Unsecured bank loans	120,750	(123,753)	(110,847)	(12,906)	–
Notes payable	378,691	(460,564)	(17,870)	(334,004)	(108,690)
Finance lease liabilities	113	(116)	(67)	(49)	–
Financial guarantees <sup>(1)</sup>	109,702	(1,223,991)	(1,223,991)	–	–
Trade payables	40	(40)	(40)	–	–
Other payables <sup>(2)</sup>	181,902	(181,902)	(92,696)	(89,206)	–
	<u>833,634</u>	<u>(2,034,711)</u>	<u>(1,447,271)</u>	<u>(478,750)</u>	<u>(108,690)</u>
<b>Derivative financial instruments</b>					
Interest rate swaps used for hedging	979	(1,218)	(1,050)	(168)	–
	<u>834,613</u>	<u>(2,035,929)</u>	<u>(1,448,321)</u>	<u>(478,918)</u>	<u>(108,690)</u>

<sup>(1)</sup> At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the financial guarantees granted to the subsidiaries and joint ventures.

<sup>(2)</sup> Excludes downpayments and advances from customers, interest rate swaps used for hedging and deferred revenue.

## 19 Deferred tax liabilities

The deferred tax liabilities are attributable to plant and equipment of the Group. The movement in deferred tax liabilities of the Group is as follows:

	Plant and equipment	
	2016 US\$'000	2015 US\$'000
At 1 January	449	–
Recognised in profit or loss (note 25)	(449)	449
At 31 December	<u>–</u>	<u>449</u>

## 20 Trade payables

	Group		Company	
	2016 US\$'000	2015 US\$'000	2016 US\$'000	2015 US\$'000
Trade amounts due to:				
- associates	480	485	–	–
- joint ventures	19,281	18,830	–	–
- third parties	92,313	106,850	198	40
	<u>112,074</u>	<u>126,165</u>	<u>198</u>	<u>40</u>

Trade amounts due to associates and joint ventures are unsecured, interest-free and repayable on demand.

## **21 Share-based payments**

At 31 December 2016, the Group has the following share-based payment arrangements:

### **(a) Ezion Employee Share Option Scheme (equity-settled)**

The Ezion Employee Share Option Scheme (the “Scheme”) was approved and adopted by its members at an Extraordinary General Meeting held on 23 November 2009. The Scheme is administered by the Company’s Remuneration Committee. All Directors and Employees of the Group shall be eligible to participate in the Scheme.

Other information regarding the Scheme is set out below:

#### Option granted on 11 October 2011 (“Grant Date 1”)

- The exercise price of each option is fixed at S\$0.259. (Prior to Rights Issue: S\$0.288)
- The share option shall be exercised, in whole or in part, in accordance with the following schedule from 11 October 2012 to 11 October 2021:
  - i. 20% of the options shall vest after the end of first anniversary of Grant Date 1;
  - ii. 50% of the options shall vest after 31 March 2013; and
  - iii. 30% of the options shall vest after 31 March 2014.
- All options are settled by physical delivery of shares.
- The options granted expire after 10 years or upon cessation of the employment of employees.
- The options include 1,400,000 share options granted to each of the executive directors, Chew Thiam Keng and Captain Larry Glenn Johnson; and 100,000 share options granted to each of the non-executive directors, Lim Thean Ee, Tan Woon Hum and Dr. Wang Kai Yuen.
- With effect from 7 November 2014, Captain Larry Glenn Johnson resigned as an executive director of the Company.

#### Option granted on 7 June 2012 (“Grant Date 2”)

- The exercise price of each option is fixed at S\$0.462. (Prior to Rights Issue: S\$0.514)
- The share option shall be exercised, in whole or in part, in accordance with the following schedule from 7 June 2013 to 7 June 2022:
  - i. 30% of the options shall vest after the end of first anniversary of Grant Date 2;
  - ii. 30% of the options shall vest after the end of second anniversary of Grant Date 2; and

- iii. 40% of the options shall vest after the end of third anniversary of Grant Date 2.
- All options are settled by physical delivery of shares.
- The options granted expire after 10 years or upon cessation of the employment of employees.
- The options include 700,000 share options granted to each of the executive directors, Chew Thiam Keng and Captain Larry Glenn Johnson; and 100,000 share options granted to each of the directors, Lim Thean Ee, Tan Woon Hum, Dr. Wang Kai Yuen and Lee Kian Soo.
- With effect from 5 January 2016, Lee Kian Soo resigned as a director of the Company.

*Option granted on 21 January 2013 (“Grant Date 3”)*

- The exercise price of each option is fixed at S\$0.973 (Prior to Rights Issue: S\$1.083)
- The share option shall be exercised, in whole or in part, in accordance with the following schedule from 21 January 2015 to 21 January 2023:
  - i. 30% of the options shall vest after the end of second anniversary of Grant Date 3;
  - ii. 30% of the options shall vest after the end of third anniversary of Grant Date 3; and
  - iii. 40% of the options shall vest after the end of fourth anniversary of Grant Date 3.
- All options are settled by physical delivery of shares.
- The options granted expire after 10 years or upon cessation of the employment of employees.
- The options include 700,000 share options granted to each of the executive directors, Chew Thiam Keng and Captain Larry Glenn Johnson; and 100,000 share options granted to each of the directors, Lim Thean Ee, Tan Woon Hum, Dr. Wang Kai Yuen and Lee Kian Soo.

*Option granted on 16 January 2015 (“Grant Date 5”)*

- The exercise price of each option is fixed at S\$1.011.
- The share option shall be exercised, in whole or in part, in accordance with the following schedule from 16 January 2017 to 16 January 2025:
  - i. 30% of the options shall vest after the end of second anniversary of Grant Date 5;
  - ii. 30% of the options shall vest after the end of third anniversary of Grant Date 5; and
  - iii. 40% of the options shall vest after the end of fourth anniversary of Grant Date 5.

- All options are settled by physical delivery of shares.
- The options granted expire after 10 years or upon cessation of the employment of employees.
- The options include 1,400,000 share options granted to the executive director, Chew Thiam Keng; and 200,000 share options granted to each of the directors, Lim Thean Ee, Tan Woon Hum, Dr. Wang Kai Yuen and Lee Kian Soo.

Option granted on 9 March 2016 (“Grant Date 6”)

- The exercise price of each option is fixed at S\$0.489.
- The share option shall be exercised, in whole or in part, in accordance with the following schedule from 9 March 2018 to 9 March 2026:
  - i. 30% of the options shall vest after the end of second anniversary of Grant Date 6;
  - ii. 30% of the options shall vest after the end of third anniversary of Grant Date 6; and
  - iii. 40% of the options shall vest after the end of fourth anniversary of Grant Date 6.
- All options are settled by physical delivery of shares.
- The options granted expire after 10 years or upon cessation of the employment of employees.
- The options include 700,000 share options granted to the executive director, Chew Thiam Keng; and 100,000 share options granted to each of the directors, Lim Thean Ee, Tan Woon Hum, Dr. Wang Kai Yuen and Yee Chia Hsing.

At the end of the financial year, details of the options granted under the Scheme on unissued ordinary shares of the Company are as follows:

Date of grant of options	Exercise prices per share	Options outstanding at 1 January 2016 '000	Options granted '000	Options exercised '000	Options cancelled '000	Options outstanding at 31 December 2016 '000	Number of option holders at 31 December 2016	Exercise period
11/10/2011	S\$0.259	2,016	229	–	–	2,245	1	11/10/2012 to 11/10/2021
7/6/2012	S\$0.462	1,641	187	–	–	1,828	9	7/6/2013 to 7/6/2022
21/1/2013	S\$0.973	7,042	800	–	(160)	7,682	42	21/1/2015 to 21/1/2023
16/1/2015	S\$1.011	11,900	–	–	(200)	11,700	81	16/1/2017 to 16/1/2025
9/3/2016	S\$0.489	–	7,140	–	–	7,140	99	9/3/2018 to 9/3/2026
		<u>22,599</u>	<u>8,356</u>	<u>–</u>	<u>(360)</u>	<u>30,595</u>		



*Fair value of share options and assumptions*

The grant-date fair value of share options granted was measured based on the Black-Scholes option-pricing model formula as the fair value of services performed by employees and directors cannot be measured reliably. Expected volatility is estimated by considering historic average share price volatility. Option lives are based on the assumption that each tranche of share options will be exercised once the vesting period is over.

Options granted at 11 October 2011

	<b>At 11 October 2011</b>		
	<b>Tranche A</b>	<b>Tranche B</b>	<b>Tranche C</b>
Fair value (S\$)	0.077	0.091	0.159
Share price (S\$)	0.45	0.45	0.45
Exercise price (S\$)	0.414	0.414	0.414
Expected volatility	32%	33%	52%
Expected dividends (Singapore cents)	—*	—*	—*
Risk-free interest rate	0.20%	0.21%	0.35%

\* - denotes less than 0.01 Singapore cents

Options granted at 7 June 2012

	<b>At 7 June 2012</b>		
	<b>Tranche A</b>	<b>Tranche B</b>	<b>Tranche C</b>
Fair value (S\$)	0.16	0.174	0.224
Share price (S\$)	0.78	0.78	0.78
Exercise price (S\$)	0.74	0.74	0.74
Expected volatility	46.11%	35.88%	39.13%
Expected dividends (Singapore cents)	—*	—*	—*
Risk-free interest rate	0.25%	0.23%	0.33%

\* - denotes less than 0.01 Singapore cents

Options granted at 21 January 2013

	<b>At 21 January 2013</b>		
	<b>Tranche A</b>	<b>Tranche B</b>	<b>Tranche C</b>
Fair value (S\$)	0.473	0.530	0.758
Share price (S\$)	1.76	1.76	1.76
Exercise price (S\$)	1.56	1.56	1.56
Expected volatility	39.06%	36.58%	51.40%
Expected dividends (Singapore cents)	—*	—*	—*
Risk-free interest rate	0.24%	0.27%	0.30%

\* - denotes less than 0.01 Singapore cents

Options granted at 16 January 2015

	<b>At 16 January 2015</b>		
	<b>Tranche A</b>	<b>Tranche B</b>	<b>Tranche C</b>
Fair value (S\$)	0.267	0.337	0.396
Share price (S\$)	1.155	1.155	1.155
Exercise price (S\$)	1.011	1.011	1.011
Expected volatility	28.75%	32.57%	34.62%
Expected dividends (Singapore cents)	_*	_*	_*
Risk-free interest rate	0.54%	0.73%	1.02%

\* - denotes less than 0.01 Singapore cents

Options granted at 9 March 2016

	<b>At 9 March 2016</b>		
	<b>Tranche A</b>	<b>Tranche B</b>	<b>Tranche C</b>
Fair value (S\$)	0.220	0.234	0.258
Share price (S\$)	0.630	0.630	0.630
Exercise price (S\$)	0.489	0.489	0.489
Expected volatility	43.10%	38.16%	37.78%
Expected dividends (Singapore cents)	_*	_*	_*
Risk-free interest rate	1.06%	1.21%	1.43%

\* - denotes less than 0.01 Singapore cents

There is no market condition associated with the share option grants.

**(b) Employee Share Plan (equity-settled)**

The Employee Share Plan (the “Plan”) was approved and adopted by members of the Company at the Extraordinary General Meeting held on 29 April 2008. The Plan is administered by a committee comprising the directors of the Company.

In 2009, 230,000 treasury shares were awarded to certain employees pursuant to the Plan. No treasury shares had been awarded to employees under the Plan subsequent to 2009.

**Disclosure of share-based payments arrangements**

The number and weighted average exercise prices of share options are as follows:

	<b>Weighted average exercise price per share 2016 S\$</b>	<b>Number of options 2016 '000</b>	<b>Weighted average exercise price per share 2015 S\$</b>	<b>Number of options 2015 '000</b>
Outstanding at 1 January	0.89	22,599	1.07	19,762
Granted during the year	0.53	8,356	1.01	11,900
Exercised during the year	–	–	0.49	(1,953)
Cancelled during the year	0.99	(360)	1.57	(7,110)
Outstanding at 31 December	0.83	<u>30,595</u>	0.93	<u>22,599</u>
Exercisable at 31 December	0.79	<u>7,865</u>	0.64	<u>5,740</u>

The options outstanding at 31 December 2016 have an exercise price in the range of S\$0.26 to S\$1.01 (2015: S\$0.29 to S\$1.08) and the weighted average contractual life of 6.7 years (2015: 7.1 years).

**Employee expenses**

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Ezion Employee Share Option Scheme	1,968	2,121
Total expenses recognised as share-based payments	1,968	2,121

**22 Revenue**

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Chartering and offshore support services income	316,046	348,247
Others	2,199	2,900
	318,245	351,147

**23 Net finance costs**

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Interest income:		
- banks	1,801	2,466
- related corporations	2,590	1,828
- others	304	145
<b>Finance income</b>	4,695	4,439
Interest expense:		
- banks	(32,512)	(26,412)
<b>Finance costs</b>	(32,512)	(26,412)
Net finance costs recognised in profit or loss	(27,817)	(21,973)

## 24 (Loss)/Profit before income tax

The following items have been included in arriving at (loss)/profit before income tax:

	Note	Group	
		2016	2015
		US\$'000	US\$'000
Foreign exchange gain		(8,144)	(5,003)
Loss/(Gain) on disposal of			
- plant and equipment		5,116	–
- assets held for sale	10	(26,251)	–
Gain from change in ownership interest in associates		–	(8,882)
Impairment losses on:			
- plant and equipment	4	45,647	37,900
- trade receivables	9	25,219	43,228
Audit fees paid/payable to auditors of the Company		402	359
Non-audit fees paid/payable to auditors of the Company		15	24
Operating lease expense		41,972	31,671
Staff costs		8,607	10,936
Contributions to defined contribution plans, included in staff costs		805	769
Equity-settled share-based payment transactions, included in staff costs	21	1,968	2,121

Staff costs include key management personnel compensation and key executives compensation as disclosed in note 29.

## 25 Income tax expense

	Group	
	2016	2015
	US\$'000	US\$'000
<b>Current tax expense</b>		
Current year	17	198
Overprovision in respect of prior years	(233)	(181)
Foreign tax expense	3,347	1,115
	<u>3,131</u>	<u>1,132</u>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(449)	449
Total tax expense	<u>2,682</u>	<u>1,581</u>

### *Reconciliation of effective tax rate*

(Loss)/Profit before income tax	(30,924)	38,365
Share of results of joint ventures and associates (net of tax)	2,041	(23,448)
(Loss)/Profit before income tax excluding share of results of joint ventures and associates	<u>(28,883)</u>	<u>14,917</u>

	<b>Group</b>	
	<b>2016</b>	<b>2016</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Tax calculated using Singapore tax rate of 17% (2015: 17%)	(4,910)	2,536
Effect of tax rates in foreign jurisdictions	(3,201)	(3,232)
Income not subject to tax	(23,617)	(20,093)
Net tax exempt income under Section 13A of Income Tax Act	(6,229)	(12,986)
Non-deductible expenses	36,072	33,267
Foreign tax expense	3,347	1,115
Overprovision in respect of prior years	(233)	(181)
Current year losses for which no deferred tax asset was recognised	1,767	928
Others	(314)	227
	2,682	1,581

For the financial years ended 31 December 2016 and 2015, the effective applicable tax rate is lower than 17% as no provision is made for taxation for certain income in view of the exempt profits earned by the Group under Section 13A of the Income Tax Act during the year.

The Group has unrecognised deferred tax assets in respect of tax losses of US\$7,837,000 (2015: US\$6,070,000) at the balance sheet date. Deferred tax assets have not been recognised because the Group does not consider it probable that these will be future taxable profits of certain subsidiaries available to utilise these tax losses. These tax losses, which are available to set-off against future taxable income in the foreseeable future, are also subject to agreement by the tax authorities and compliance with tax regulations prevailing in the respective countries.

## 26 Earnings per share

### Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2016 was based on:

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>
(Loss)/Profit attributable to owners of the Company	(33,606)	36,784
Less:		
Accrued perpetual securities distributions	(7,634)	(12,520)
(Loss)/Profit attributable to owners after adjustments of accrued perpetual securities distributions	(41,240)	24,264

**Weighted average number of ordinary shares**

	<b>2016</b>	<b>2015*</b>
	<b>'000</b>	<b>'000</b>
Issued ordinary shares at 1 January, excluding treasury shares	1,577,757	1,578,304
Effect of issue of new ordinary shares	211,995	23,855
Effect of exercise of options	–	129
Weighted average number of ordinary shares during the year	<u>1,789,752</u>	<u>1,602,288</u>

**Diluted earnings per share**

The calculation of diluted earnings per share for the year ended 31 December 2016 was based on:

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>
(Loss)/Profit attributable to owners of the Company (diluted)	(33,606)	36,784
Less:		
Accrued perpetual securities distributions	<u>(7,634)</u>	<u>(12,520)</u>
(Loss)/Profit attributable to ordinary shareholders after adjustments of accrued perpetual securities distributions (diluted)	<u>(41,240)</u>	<u>24,264</u>

**Weighted average number of ordinary shares (diluted)**

	<b>2016</b>	<b>2015*</b>
	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares (basic)	1,789,752	1,602,288
Effect of share options in issue	3,657	4,012
Effect of issue of redeemable exchangeable preference shares	19,788	19,788
Weighted average number of ordinary shares at 31 December	<u>1,813,197</u>	<u>1,626,088</u>

The average market value of the Company's shares for purposes of calculating dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

\* Number of weighted average number of ordinary shares were restated due to retrospective adjustments for Rights Issue.

## 27 Operating segments

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's key management reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- (a) Production and maintenance support: engaged in the owning, chartering and management of rigs and vessels involved in the production and maintenance phase of the oil and gas industry.
- (b) Exploration and development support: engaged in the owning, chartering and management of rigs and vessels involved in the exploration and development phase of the oil and gas industry.
- (c) Others: assets or investments involved in renewable energy and other oil and gas related industry.

The accounting policies of the reportable segments are the same as described in note 3(o).

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's key management. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

### *Business segments*

	<b>Production and maintenance support US\$'000</b>	<b>Exploration and development support US\$'000</b>	<b>Others US\$'000</b>	<b>Total operations US\$'000</b>
<b>Year ended 31 December 2016</b>				
External revenue	276,199	41,538	508	318,245
Inter-segment revenue	48,738	–	5,696	54,434
Total revenue for reportable segments	324,937	41,538	6,204	372,679
Elimination of inter-segment revenue				(54,434)
Consolidated revenue				318,245
Reportable segment results from operating activities	46,762	2,611	507	49,880
Impairment loss on plant and equipment and provision for trade receivables	(65,992)	(4,874)	–	(70,866)
Other income	32,254	–	–	32,254
Share of results of joint ventures and associates, net of tax	143	12,105	(14,289)	(2,041)

	<b>Production and maintenance support US\$'000</b>	<b>Exploration and development support US\$'000</b>	<b>Others US\$'000</b>	<b>Total operations US\$'000</b>
Finance income	4,695	–	–	4,695
Finance expense	(27,058)	(5,454)	–	(32,512)
Unallocated expenses				(12,334)
Loss before income tax				(30,924)
Income tax expense				(2,682)
Loss for the year				(33,606)
Reportable segment assets	2,369,125	316,048	–	2,685,173
Investment in joint ventures and associates	46,565	136,646	67,174	250,385
Unallocated assets				66,152
Total assets				3,001,710
Reportable segment liabilities	1,453,790	187,735	–	1,641,525
Unallocated liabilities				44,801
Total liabilities				1,686,326
Capital expenditure	114,175	4,268	–	118,443
Unallocated capital expenditure				133
Total capital expenditure				118,576
Other material non-cash items:				
Depreciation	117,808	32,511	–	150,319
Unallocated depreciation				293
Total depreciation				150,612
Net impairment losses on:				
- plant and equipment	44,915	732	–	45,647
- trade receivables	21,077	4,142	–	25,219



	<b>Production and maintenance support US\$'000</b>	<b>Exploration and development support US\$'000</b>	<b>Others US\$'000</b>	<b>Total operations US\$'000</b>
<b>Year ended 31 December 2015</b>				
External revenue	312,492	38,219	436	351,147
Inter-segment revenue	118,793	–	6,495	125,288
Total revenue for reportable segments	431,285	38,219	6,931	476,435
Elimination of inter-segment revenue				(125,288)
Consolidated revenue				351,147
Reportable segment results from operating activities	107,231	55	436	107,722
Impairment loss on plant and equipment and provision for trade receivables	(81,128)	–	–	(81,128)
Other income	11,307	–	13,929	25,236
Share of results of joint ventures and associates, net of tax	8,819	19,024	(4,395)	23,448
Finance income	4,439	–	–	4,439
Finance expense	(21,019)	(5,393)	–	(26,412)
Unallocated expenses				(14,940)
Profit before income tax				38,365
Income tax expense				(1,581)
Profit for the year				36,784
Reportable segment assets	2,354,330	323,976	–	2,678,306
Investment in joint ventures and associates	45,406	98,056	60,513	203,975
Unallocated assets				226,121
Total assets				3,108,402
Reportable segment liabilities	1,652,976	205,154	–	1,858,130
Unallocated liabilities				8,962
Total liabilities				1,867,092
Capital expenditure	402,120	30,666	–	432,786
Unallocated capital expenditure				187
Total capital expenditure				432,973
Other material non-cash items:				
Depreciation	103,659	30,865	–	134,524
Unallocated depreciation				349
Total depreciation				134,873
Net impairment losses on:				
- plant and equipment	37,900	–	–	37,900
- trade receivables	43,228	–	–	43,228

### **Geographical segments**

The businesses of the Group are operated in five principal geographical areas, namely, Singapore, India, Middle East, rest of Asia, Europe and other countries. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location where assets are registered.

	<b>Revenue</b>		<b>Non-current assets<sup>(1)</sup></b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Singapore	50,000	31,547	1,161,809	1,376,929
India	48,501	44,475	–	–
Middle East	95,112	58,042	–	–
Rest of Asia	77,736	129,622	556,306	430,218
Europe	30,393	62,166	384,579	368,322
Other countries	16,503	25,295	95,752	108,648
	<u>318,245</u>	<u>351,147</u>	<u>2,198,446</u>	<u>2,284,117</u>

<sup>(1)</sup> Non-current assets presented consist of plant and equipment

### **Major customers**

During the financial year ended 31 December 2016, the Group had two (2015: one) customers in the Group's production and maintenance support segment that contributed 10% or more of the Group's total revenue. Revenue from the customers amounted to US\$79,779,000 (2015: US\$40,286,000) of the Group's total revenue.

## **28 Commitments**

### **(a) Capital commitments**

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Contracted but not provided for:		
Within 1 year	190,875	194,475
After 1 year but within 5 years	250,000	64,000
	<u>440,875</u>	<u>258,475</u>

The Group is committed to incur capital commitments of US\$440,875,000, of which US\$190,875,000 is due within the next twelve months. Out of the US\$250,000,000 that is expected to be incurred after 1 year, the Group has postponed the delivery of its two contractual commitments amounting to US\$186,000,000 to mutually agreed dates with the ship builders.

The Group has obtained in-principle approvals from its major lenders for the financing of US\$141,130,000 for vessels with expected delivery in 2017 and US\$35,750,000 for a vessel with expected delivery in 2018.

**(b) Operating lease expense commitments (as lessee)**

At the reporting date, the Group has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Within 1 year	38,935	26,912
After 1 year but within 5 years	85,610	56,560
	124,545	83,472

Operating lease expense commitments at the reporting date represents rentals payable by the Group for its vessel charters and office space. The leases from vessel charter and office rental are for a period ranging from 1 to 4 years from 1 January 2017 to 31 December 2020 (2015: 1 January 2016 to 31 December 2019).

Included in the above future minimum lease payments under non-cancellable operating leases are amounts payable to the Group's joint ventures and an affiliate within 1 year and after 1 year but within 5 years of US\$16,608,000 (2015: US\$25,988,000) and US\$21,337,000 (2015: US\$55,633,000) respectively.

**(c) Operating lease income commitments (as lessor)**

The Group charters out its vessels. At the reporting date, the total future minimum lease receivables under non-cancellable operating lease rentals are as follows:

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Within 1 year	307,828	292,715
After 1 year but within 5 years	993,034	777,272
After 5 years	150,418	111,312
	1,451,280	1,181,299

Operating lease income commitments represents rentals receivable from customers on the Group's vessels charter. The lease terms are negotiated on fixed terms till expiry of the lease. Included in the above future minimum lease receivables under non-cancellable operating lease rentals are amounts arising from customers' options to extend their vessel charter within 1 year, after 1 year but within 5 years and after 5 years of US\$2,000,000 (2015: US\$4,997,000), US\$242,127,000 (2015: US\$247,620,000) and US\$75,209,000 (2015: US\$101,588,000) respectively.

## 29 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Other than disclosed elsewhere in the financial statements, the transactions with related parties are as follows:

### **Key management personnel compensation and key executives compensation**

Key management personnel compensation and key executives compensation comprised:

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Short-term employee benefits	3,498	6,075
Share-based payments	1,010	1,009
	<u>4,508</u>	<u>7,084</u>

### **Other related party transactions**

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Transactions with joint ventures</b>		
Interest income received and receivable	2,424	1,828
Offshore logistic support vessels, liftboats and rigs' services costs paid and payable	(19,436)	(22,476)
Management fee income from joint ventures	206	206
	<u>2,194</u>	<u>(20,442)</u>
<b>Transactions with associates</b>		
Offshore logistic support vessels, liftboats and rigs' services revenue received and receivable	–	17,978
Management fee income from associates	302	230
	<u>302</u>	<u>18,208</u>

## 30 Accounting estimates and judgments

Estimates and judgment are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is discussed as follows:

### **Impairment of plant and equipment**

The Group assesses the impairment of plant and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Extended periods of idle time;
- Inability to contract specific assets or groups of assets; and
- Significant adverse industry or economic trends.

The complexity of the estimation process and issues related to the assumptions, risks and uncertainties inherent in the application of the Group's accounting estimates in relation to plant and equipment affect the amounts reported in the financial statements, especially the estimates of the expected useful economic lives and the carrying values of those assets. If business conditions were different, or if different assumptions were used in the application of this and other accounting estimates, it is likely that materially different amounts could be reported in the Group's financial statements.

For the purposes of impairment assessment of vessels, each vessel is a separate CGU. A total of 67 (2015: 70) CGUs have been identified. Management assessed the recoverable amounts of the vessels based on their value in use if any indicators of impairment existed.

The recoverable amounts of the CGUs were determined based on value in use calculations.

Based on the above assessment, the Group recognised impairment losses relating to 16 CGUs of US\$11,477,000, US\$22,453,000 and US\$11,717,000 (2015: US\$9,446,000, US\$28,454,000 and US\$Nil) for the vessels, rigs and vessel under construction respectively (note 4).

### **Impairment of trade receivables**

Trade receivables are recorded at the invoiced amount and do not bear interest. The allowance for doubtful receivables is the Group's best estimate of the amount of probable credit losses in the Group's existing trade receivables.

Management uses judgment to determine the allowance for doubtful receivables which are supported by historical write-off, credit history of the customers and repayment records. The Group reviews its allowance for doubtful receivables monthly. Balances which are past due for more than 120 days are reviewed individually for collectability. Accounts balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Actual results could differ from estimates.

## **31 Financial risk management**

### ***Overview***

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group's principal financial instruments comprise cash and cash equivalents and bank loans. The main purpose of these financial instruments is to finance the Group's operations. The other financial instruments such as trade and other payables are directly from its operations.

### ***Credit risk***

The Group's maximum exposure to credit risk are carrying amounts of amounts due from joint ventures, other assets, trade receivables, and cash and cash equivalents.

The Group has a credit policy in place which establishes credit limits for customers and monitors their balances on an ongoing basis. Therefore, the Group does not expect to incur material credit losses. Cash and cash equivalents are placed with regulated financial institutions. Hence, minimal credit risk exists with respect to these assets.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The allowance account in respect of trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

The Group has no significant concentration of credit risk except for six (2015: seven) third party trade receivables which accounts for approximately 60% (2015: 51%) of the total trade receivables as at 31 December 2016 and 2015.

### ***Financial guarantees***

The credit risk represents the loss that would be recognised upon a default by the parties to which the guarantees were given on behalf of. To mitigate these risks, management continually monitors the risks and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of. Guarantees are only given to its subsidiaries and joint ventures.

Financial guarantees provided by the Company to its subsidiaries are eliminated in preparing the consolidated financial statements. Estimates of the Company's obligations arising from financial guarantee contracts may be affected by future events, which cannot be predicted with any certainty. The assumptions may well vary from actual experience so that the actual liability may vary considerably from the best estimates.

Financial guarantees comprise guarantees granted by the Company to banks in respect of banking facilities of its subsidiaries and joint ventures. At the reporting date, the maximum exposure of the Group and of the Company in respect of financial guarantees amounting to US\$153,999,000 (2015: US\$182,152,000) and US\$1,157,451,000 (2015: US\$1,249,070,000) respectively.

At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the financial guarantees granted to the subsidiaries and joint ventures.

### ***Liquidity risk***

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient level of cash and cash equivalents and bank facilities to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

As at 31 December 2016, the Group has contractual capital commitments of US\$440,875,000, of which US\$190,875,000 is due within the next twelve months. The Group has obtained in-principle approvals from its major lenders for the financing of US\$141,130,000 for vessels with expected delivery in 2017 and US\$35,750,000 for a vessel with expected delivery in 2018. The Group is confident to complete the financing arrangements with the lenders in due course before the expected delivery of the vessels.

As at 31 December 2016, the Group has cash and cash equivalents amounting to US\$204,953,000 (2015: US\$229,756,000). As at 31 December 2016, the Group has undrawn banking facilities amounting to US\$35,499,000 (2015: US\$47,399,000). In addition, the Group has completed discussions with its major lenders to reduce its principal repayments to match the Group's operating cash flows.

The Group believes that the repayment of its present and future obligations will occur as required and is confident that the cash flows generated from the Group's operating activities and continuing credit facilities being made available to the Group will be sufficient to meet the repayment requirements.

### ***Market risk***

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

***Interest rate risk***

The Group's interest rate risk exposure relates primarily to its long-term debt obligations as they are subject to fluctuating interest rates that reset according to market rates change. The Group enters into and designates interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

At 31 December 2016, the Group has interest rate swaps with total notional contract amount of US\$225,000,000 (2015: US\$202,500,000) whereby the Group has agreed with counterparties to exchange, at specified intervals, the difference between floating rate and fixed rate interest amounts calculated by reference to the agreed notional principal amounts of the secured and unsecured term loans.

At 31 December 2016, the Group has fixed deposits account with regulated banks that interest rate was fixed according to market rates.

*Exposure to interest rate risk*

At the reporting date, the interest rate profile of the Group's interest-bearing financial interests, as reported to the management, was as follows:

**Variable rate instruments**

	<b>Group and Company</b>			
	<b>Nominal amount</b>			
	<b>2016</b>		<b>2015</b>	
	<b>US\$'000</b>		<b>US\$'000</b>	
Interest rate swaps	225,000		200,000	
	<b>Group</b>		<b>Company</b>	
	<b>Carrying amount</b>		<b>Carrying amount</b>	
	<b>2016</b>		<b>2016</b>	
	<b>2015</b>		<b>2015</b>	
	<b>US\$'000</b>		<b>US\$'000</b>	
USD secured floating rate loans	(959,725)	(1,057,241)	–	–
SGD secured floating rate loan	(41,054)	(42,436)	(41,054)	(42,436)
USD unsecured floating rate loans	(113,600)	(120,750)	(113,600)	(120,750)
	(1,114,379)	(1,220,427)	(154,654)	(163,186)

*Sensitivity analysis*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting dates would not affect profit or loss.



For the variable rate financial assets and liabilities, a change of 100 basis point (“bp”) in interest rate at the reporting date would increase/(decrease) profit before tax and equity by the pre-tax amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	<b>Profit before tax</b>		<b>Equity</b>	
	<b>100 bp Increase US\$'000</b>	<b>100 bp Decrease US\$'000</b>	<b>100 bp Increase US\$'000</b>	<b>100 bp Decrease US\$'000</b>
<b>Group</b>				
<b>31 December 2016</b>				
Interest-bearing loans	(11,144)	11,144	–	–
Interest rate swaps	1,600	(1,600)	2,913	(2,913)
<b>31 December 2015</b>				
Interest-bearing loans	(12,204)	12,204	–	–
Interest rate swaps	11	(11)	13	(13)
<b>Company</b>				
<b>31 December 2016</b>				
Interest-bearing loans	(15,465)	15,465	–	–
Interest rate swaps	1,600	(1,600)	2,913	(2,913)
<b>31 December 2015</b>				
Interest-bearing loans	(16,319)	16,319	–	–
Interest rate swaps	11	(11)	13	(13)

***Foreign currency risk***

The Group has exposure to foreign currency risk as a result of its operations in several countries. The currencies giving rise to this risk are primarily US dollar (“USD”), Singapore dollar (“SGD”) and Australian dollar (“AUD”).

In respect of other monetary assets and liabilities held in currencies other than the functional currencies of respective entities, the Group ensures that the net exposure is kept to an acceptable level by buying currencies at spot rates, where necessary, to address short term imbalances.

The Group’s and the Company’s exposures to foreign currencies are as follows:

	<b>USD US\$'000</b>	<b>SGD US\$'000</b>	<b>AUD US\$'000</b>	<b>Others US\$'000</b>	<b>Total US\$'000</b>
<b>Group</b>					
<b>31 December 2016</b>					
Loan to associate	–	1,556	438	–	1,994
Trade receivables and other assets	2,054	2,687	2,551	–	7,292
Cash and cash equivalents	18	139,926	25	1,776	141,745

Trade and other payables	(387)	(20,740)	(2,826)	(2,110)	(26,063)
Financial liabilities	–	(41,485)	–	–	(41,485)
Notes payable	–	(372,040)	–	–	(372,040)
	<u>1,685</u>	<u>(290,096)</u>	<u>188</u>	<u>(334)</u>	<u>(288,557)</u>

	<b>USD</b>	<b>SGD</b>	<b>AUD</b>	<b>Others</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Group</b>					
<b>31 December 2015</b>					
Loan to associate	–	1,579	425	–	2,004
Trade receivables and other assets	–	4,040	2,429	107	6,576
Cash and cash equivalents	18	194,016	949	964	195,947
Trade and other payables	(221)	(28,594)	(3,170)	(1,627)	(33,612)
Financial liabilities	–	(42,549)	–	–	(42,549)
Notes payable	–	(378,691)	–	–	(378,691)
	<u>(203)</u>	<u>(250,199)</u>	<u>633</u>	<u>(556)</u>	<u>(250,325)</u>

	<b>SGD</b>	<b>AUD</b>	<b>Others</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Company</b>				
<b>31 December 2016</b>				
Loan to associate	1,556	438	–	1,994
Trade receivables and other assets	2,453	245	–	2,698
Cash and cash equivalents	138,406	2	–	138,408
Trade and other payables	(12,900)	(12)	(3)	(12,915)
Financial liabilities	(41,485)	–	–	(41,485)
Notes payable	(372,040)	–	–	(372,040)
	<u>(284,010)</u>	<u>673</u>	<u>(3)</u>	<u>(283,340)</u>

<b>31 December 2015</b>				
Loans to subsidiaries	63,861	4,985	–	68,846
Loan to associate	1,579	425	–	2,004
Trade receivables and other assets	2,530	248	–	2,778
Cash and cash equivalents	185,337	2	–	185,339
Trade and other payables	(35,097)	(12)	(9)	(35,118)
Financial liabilities	(42,549)	–	(110)	(42,659)
Notes payable	(378,691)	–	–	(378,691)
	<u>(203,030)</u>	<u>5,648</u>	<u>(119)</u>	<u>(197,501)</u>

*Sensitivity analysis*

A 10% strengthening of US dollar against the following currencies at the reporting date would increase/(decrease) equity and profit before tax by the pre-tax amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	<b>Group</b>		<b>Company</b>	
	<b>Equity</b>	<b>Profit</b>	<b>Equity</b>	<b>Profit</b>
	<b>US\$'000</b>	<b>before tax</b>	<b>US\$'000</b>	<b>before tax</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>31 December 2016</b>				
US dollar	–	(169)	–	–
Singapore dollar	–	29,010	–	28,401
Australian dollar	–	(19)	–	(67)
Others	–	33	–	–
<b>31 December 2015</b>				
US dollar	–	(20)	–	–
Singapore dollar	–	25,020	–	20,303
Australian dollar	–	(63)	–	(565)
Others	–	56	–	12

A 10% weakening of US dollar against the above currencies would have had the equal but opposite effect on the above currencies to the pre-tax amounts shown above, on the basis that all other variables remain constant.

***Fair values versus carrying amounts***

*Non-derivative financial assets and liabilities*

The carrying amounts of the Group and the Company's financial instruments other than interest rate swaps used for hedging are carried at cost or amortised cost are not materially different from their fair values as at 31 December 2016 and 31 December 2015 due to their short-term nature and immaterial effects of discounting.

***Financial instruments by category***

Set out below is a comparison by category of carrying amounts of all the Group and Company's financial instruments that are carried in the financial statements:

	Note	Fair value- hedging instruments US\$'000	Loans and receivables US\$'000	Other financial liabilities within scope of FRS 39 US\$'000	Other financial liabilities outside scope of FRS 39 US\$'000	Total carrying amount US\$'000	Fair value US\$'000
<b>Group</b>							
<b>31 December 2016</b>							
<b>Financial assets not measured at fair value</b>							
Other assets <sup>(1)</sup>	8	–	114,450	–	–	114,450	114,450
Trade receivables	9	–	178,899	–	–	178,899	178,899
Cash and cash equivalents	11	–	204,953	–	–	204,953	204,953
<b>Financial asset measured at fair value</b>							
Interest rate swaps used for hedging	16	2,131	–	–	–	2,131	2,131
<b>Financial liabilities not measured at fair value</b>							
Other payables <sup>(2)</sup>	16	–	–	(43,744)	–	(43,744)	(43,744)
Trade payables	20	–	–	(112,074)	–	(112,074)	(112,074)
Financial liabilities <sup>(3)</sup>	18	–	–	(1,119,075)	–	(1,119,075)	(1,119,075)
Financial lease liabilities	18	–	–	–	(47)	(47)	(47)
Notes payable	17	–	–	(372,040)	–	(372,040)	(252,107)

Note	Fair value- hedging instruments US\$'000	Loans and receivables US\$'000	Other financial liabilities within scope of FRS 39 US\$'000	Other financial liabilities outside scope of FRS 39 US\$'000	Total carrying amount US\$'000	Fair value US\$'000	
<b>31 December 2015</b>							
<b>Financial assets not measured at fair value</b>							
Other assets <sup>(1)</sup>	8	–	38,548	–	–	38,548	38,548
Trade receivables	9	–	193,247	–	–	193,247	193,247
Cash and cash equivalents	11	–	229,756	–	–	229,756	229,756
<b>Financial liability measured at fair value</b>							
Interest rate swaps used for hedging	16	(1,054)	–	–	–	(1,054)	(1,054)
<b>Financial liabilities not measured at fair value</b>							
Liabilities relating to assets held for sale		–	–	(42,658)	–	(42,658)	(42,658)
Other payables <sup>(2)</sup>	16	–	–	(61,878)	–	(61,878)	(60,287)
Trade payables	20	–	–	(126,165)	–	(126,165)	(126,165)
Financial liabilities <sup>(3)</sup>	18	–	–	(1,226,242)	–	(1,226,242)	(1,226,242)
Financial lease liabilities	18	–	–	–	(113)	(113)	(113)
Notes payable	17	–	–	(378,691)	–	(378,691)	(365,091)
<b>Company</b>							
<b>31 December 2016</b>							
<b>Financial assets not measured at fair value</b>							
Other assets <sup>(1)</sup>	8	–	67,922	–	–	67,922	67,922
Trade receivables	9	–	9,599	–	–	10,671	10,671
Cash and cash equivalents	11	–	149,497	–	–	149,497	149,497
<b>Financial asset measured at fair value</b>							
Interest rate swaps used for hedging	16	2,131	–	–	–	2,131	2,131

Company	Note	Fair value- hedging instruments US\$'000	Loans and receivables US\$'000	Other financial liabilities within scope of FRS 39 US\$'000	Other financial liabilities outside scope of FRS 39 US\$'000	Total carrying amount US\$'000	Fair value US\$'000
<b>31 December 2016</b>							
<b>Financial liabilities not measured at fair value</b>							
Other payables <sup>(2)</sup>	16	–	–	(180,702)	–	(180,702)	(180,702)
Trade payables	20	–	–	(198)	–	(198)	(198)
Financial liabilities <sup>(3)</sup>	18	–	–	(234,947)	–	(234,947)	(234,947)
Financial lease liabilities	18	–	–	–	(47)	(47)	(47)
Notes payable	17	–	–	(372,040)	–	(372,040)	(252,107)
<b>31 December 2015</b>							
<b>Financial assets not measured at fair value</b>							
Other assets <sup>(1)</sup>	8	–	48,781	–	–	48,781	48,781
Trade receivables	9	–	8,077	–	–	8,077	8,077
Cash and cash equivalents	11	–	188,382	–	–	188,382	188,382
<b>Financial liability measured at fair value</b>							
Interest rate swaps used for hedging	16	(979)	–	–	–	(979)	(979)
<b>Financial liabilities not measured at fair value</b>							
Other payables <sup>(2)</sup>	16	–	–	(181,902)	–	(181,902)	(181,902)
Trade payables	20	–	–	(40)	–	(40)	(40)
Financial liabilities <sup>(3)</sup>	18	–	–	(272,888)	–	(272,888)	(272,888)
Financial lease liabilities	18	–	–	–	(113)	(113)	(113)
Notes payable	17	–	–	(378,691)	–	(378,691)	(365,091)

(1) Excludes advances to suppliers, prepayments, interest rate swaps used for hedging and available-for-sale equity securities.

(2) Excludes downpayments and advances from customers, interest rate swaps used for hedging and deferred revenue.

(3) Excludes financial lease liabilities.

*Fair value hierarchy*

The tables below analyse fair value measurements for financial assets and financial liabilities, by the levels in the fair value hierarchy based on the inputs to valuation techniques. The different levels are defined as follows:

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- *Level 2*: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- *Level 3*: unobservable inputs for the asset or liability.

*Financial assets and financial liabilities carried at fair value*

<b>Group</b>	<b>Note</b>	<b>Level 1 US\$'000</b>	<b>Level 2 US\$'000</b>	<b>Level 3 US\$'000</b>	<b>Total US\$'000</b>
<b>31 December 2016</b>					
<b>Assets</b>					
Interest rate swaps used for hedging	16	–	2,131	–	2,131
<b>31 December 2015</b>					
<b>Liabilities</b>					
Interest rate swaps used for hedging	16	–	(1,054)	–	(1,054)
<b>Company</b>					
<b>31 December 2016</b>					
<b>Assets</b>					
Interest rate swaps used for hedging	16	–	2,131	–	2,131
<b>31 December 2015</b>					
<b>Liabilities</b>					
Interest rate swaps used for hedging	16	–	(979)	–	(979)

*Financial assets and financial liabilities not carried at fair value but for which fair values are disclosed\**

	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
<b>Group</b>				
<b>31 December 2016</b>				
<b>Liabilities</b>				
Notes payable	(252,107)	–	–	(252,107)
<hr/>				
<b>31 December 2015</b>				
<b>Liabilities</b>				
Notes payable	(365,091)	–	–	(365,091)
<hr/>				
<b>Company</b>				
<b>31 December 2016</b>				
<b>Liabilities</b>				
Notes payable	(252,107)	–	–	(252,107)
<hr/>				
<b>31 December 2015</b>				
<b>Liabilities</b>				
Notes payable	(365,091)	–	–	(365,091)
<hr/>				

\* Excludes financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair value due to their short-term nature and where the effect of discounting immaterial.

### **Valuation techniques and significant unobservable inputs**

The following tables show the valuation techniques used in measuring Level 2 fair values.

#### **Financial instruments measured at fair value**

<u>Type</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Inter-relationship between key unobserved inputs and fair value measurements</u>
<b>Group and Company</b>			
Interest rate swaps used for hedging	Market comparison technique: The fair values are based on bank quotes.	Not applicable	Not applicable



## **32 Subsequent event**

On 28 March 2017, the Group made the following announcements:

- (i) The Group entered into various sales and purchase agreements to acquire:
  - (a) 5,000 ordinary shares of US\$1.00 each representing 50% equity interest in Strategic Offshore Limited (“SOL”), a company incorporated in Malta, at a cash consideration S\$3.5 million (equivalent to approximately US\$2.5 million). Prior to the acquisition, the Group owns 50% of equity interest in SOL; and
  - (b) 25,000 ordinary shares of US\$1.00 each representing 50% equity interest in Strategic Excellence Limited (“SEL”), a company incorporated in Bahamas, at a cash consideration of S\$1.5 million (equivalent to approximately US\$1.1 million). Prior to the acquisition, the Group owns 50% of equity interest in SEL.
- (ii) The Group established three wholly-owned subsidiaries in Labuan, Malaysia, namely Teras Atlas Limited (“TAL”), Teras Fortuna Limited (“TFL”), and Teras Orizont Limited (“TOL”), with total and paid-up capital of US\$2 each. The principal activities TAL, TFL and TOL are rig owning and provision of rig services.
- (iii) The Group, through its indirect wholly-owned subsidiaries, TAL, TFL and TOL entered into various sales and purchase agreements to acquire certain assets from the subsidiaries of SOL, namely GSP Atlas Limited (“GAL”), Strategic Fortuna Limited (“SFL”) and GSP Orizont Limited (“GOL”) respectively, at an aggregate cash consideration of US\$61.9 million.

On 31 March 2017, the Group entered into a Heads of Agreement with a joint venture partner to divest 50% of the above purchases at an aggregate consideration of US\$70.0 million.

As a result of the combined transactions above, the Group expects no material impact to the financial position and income statement of the Group.

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## **Independent auditors' report**

Members of the Company  
Ezion Holdings Limited

### **Report on the financial statements**

We have audited the accompanying financial statements of Ezion Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2015, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS82.

#### *Management's responsibility for the financial statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

#### *Auditors' responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

*Opinion*

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

**Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

**KPMG LLP**  
*Public Accountants and*  
*Chartered Accountants*

**Singapore**  
31 March 2016

**Statements of financial position**  
**As at 31 December 2015**

	Note	Group		Company	
		2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
<b>Non-current assets</b>					
Plant and equipment	4	2,284,117	2,135,580	567	747
Subsidiaries	5	–	–	1,227,226	1,043,354
Joint ventures	6	131,354	104,109	51,759	51,518
Associates	7	72,621	68,805	53,982	74,232
Other assets	8	11,566	13,832	121	132
		<u>2,499,658</u>	<u>2,322,326</u>	<u>1,333,655</u>	<u>1,169,983</u>
<b>Current assets</b>					
Trade receivables	9	193,247	159,580	8,077	4,053
Other assets	8	80,188	127,555	48,861	31,651
Assets held for sale	10	105,553	–	–	–
Cash and cash equivalents	11	229,756	371,510	188,382	316,992
		<u>608,744</u>	<u>658,645</u>	<u>245,320</u>	<u>352,696</u>
<b>Total assets</b>		<u><u>3,108,402</u></u>	<u><u>2,980,971</u></u>	<u><u>1,578,975</u></u>	<u><u>1,522,679</u></u>
<b>Equity</b>					
Share capital	12	536,368	535,654	536,368	535,654
Perpetual securities	13	116,499	211,874	116,499	211,874
Redeemable exchangeable preference shares	14	23,464	23,464	–	–
Reserves	15	(32,323)	(21,424)	(2,915)	(980)
Retained earnings		597,302	563,059	89,508	140,734
<b>Equity attributable to owners of the Company</b>		<u>1,241,310</u>	<u>1,312,627</u>	<u>739,460</u>	<u>887,282</u>
<b>Non-controlling interests</b>		<u>–</u>	<u>(6)</u>	<u>–</u>	<u>–</u>
<b>Total equity</b>		<u><u>1,241,310</u></u>	<u><u>1,312,621</u></u>	<u><u>739,460</u></u>	<u><u>887,282</u></u>
<b>Non-current liabilities</b>					
Other payables	16	35,954	33,453	90,185	21,598
Notes payable	17	378,691	315,532	378,691	315,532
Financial liabilities	18	851,101	892,220	137,312	103,918
Deferred tax liabilities	19	449	–	–	–
		<u>1,266,195</u>	<u>1,241,205</u>	<u>606,188</u>	<u>441,048</u>
<b>Current liabilities</b>					
Trade payables	20	126,165	69,886	40	40
Other payables	16	50,091	61,732	93,896	120,540
Liabilities relating to assets held for sale	10	42,658	–	–	–
Financial liabilities	18	375,254	288,292	135,689	70,057
Provision for tax		6,729	7,235	3,702	3,712
		<u>600,897</u>	<u>427,145</u>	<u>233,327</u>	<u>194,349</u>
<b>Total liabilities</b>		<u><u>1,867,092</u></u>	<u><u>1,668,350</u></u>	<u><u>839,515</u></u>	<u><u>635,397</u></u>
<b>Total equity and liabilities</b>		<u><u>3,108,402</u></u>	<u><u>2,980,971</u></u>	<u><u>1,578,975</u></u>	<u><u>1,522,679</u></u>

The accompanying notes form an integral part of these financial statements.

**Consolidated income statement**  
**Year ended 31 December 2015**

	Note	2015 US\$'000	2014 US\$'000
Revenue	22	351,147	386,512
Cost of sales		(233,082)	(190,544)
<b>Gross profit</b>		118,065	195,968
Other income		25,236	45,778
Administrative expenses		(19,103)	(19,339)
Other expenses		(87,308)	(7,999)
<b>Results from operating activities</b>		36,890	214,408
Finance income		4,439	5,801
Finance costs		(26,412)	(22,488)
<b>Net finance costs</b>	23	(21,973)	(16,687)
Share of results of joint ventures and associates, net of tax		23,448	28,042
<b>Profit before income tax</b>	24	38,365	225,763
Income tax expense	25	(1,581)	(2,029)
<b>Profit for the year</b>		36,784	223,734
<b>Profit attributable to:</b>			
Owners of the Company		36,784	223,658
Non-controlling interests		–	76
<b>Profit for the year</b>		36,784	223,734
<b>Earnings per share</b>			
Basic earnings per share (cents)	26	1.54	15.90
Diluted earnings per share (cents)	26	1.51	15.55

The accompanying notes form an integral part of these financial statements.

**Consolidated statement of comprehensive income**  
**Year ended 31 December 2015**

	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Profit for the year</b>	36,784	223,734
<b>Other comprehensive income</b>		
<b>Items that are or may be reclassified subsequently to profit or loss:</b>		
Foreign currency translation differences relating to financial statements of foreign operations	(6,409)	(3,676)
Share of foreign currency translation differences of associates	2,155	(149)
Exchange differences on monetary items forming part of net investment in foreign operations	(4,861)	(3,149)
Exchange differences on disposal of subsidiaries to profit or loss	–	(782)
Effective portion of changes in fair value of cashflow hedges	(406)	(428)
<b>Other comprehensive income for the year, net of tax</b>	(9,521)	(8,184)
<b>Total comprehensive income for the year</b>	27,263	215,550
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	27,263	215,507
Non-controlling interests	–	43
<b>Total comprehensive income for the year</b>	27,263	215,550

The accompanying notes form an integral part of these financial statements.

**Consolidated statement of changes in equity**  
**Year ended 31 December 2015**

Note	Attributable to owners of the Company										Total equity US\$'000	
	Share capital US\$'000	Perpetual securities US\$'000	Redeemable exchangeable preference shares US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Hedging reserve US\$'000	Statutory reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Non-controlling interests US\$'000		
<b>Group</b>												
At 1 January 2014	345,537	97,678	23,464	(102)	(12,495)	(670)	(6)	346,936	800,342	(94)	800,248	
<b>Total comprehensive income for the year</b>												
Profit for the year	-	-	-	-	-	-	-	223,658	223,658	76	223,734	
<b>Other comprehensive income</b>												
Foreign currency translation differences relating to financial statements of foreign operations	-	-	-	-	(3,643)	-	-	-	(3,643)	(33)	(3,676)	
Share of foreign currency translation differences of associates	-	-	-	-	(149)	-	-	-	(149)	-	(149)	
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	-	(3,149)	-	-	-	(3,149)	-	(3,149)	
Exchange differences on disposal of subsidiaries to profit or loss	-	-	-	-	(782)	-	-	-	(782)	-	(782)	
Effective portion of changes in fair value of cashflow hedges	-	-	-	-	-	(428)	-	-	(428)	-	(428)	
Total comprehensive income for the year	-	-	-	-	(7,723)	(428)	-	223,658	215,507	43	215,550	
<b>Transactions with owners of the Company, recognised directly in equity</b>												
<b>Contributions by and distributions to owners of the Company</b>												
Issue of shares	12	186,808	-	-	-	-	-	-	186,808	-	186,808	
Issue of perpetual securities		-	116,500	-	-	-	-	-	116,500	-	116,500	
Redemption of perpetual securities		-	(2,304)	-	-	-	-	1	(2,303)	-	(2,303)	
Accrued perpetual securities distributions		-	-	-	-	-	-	(8,627)	(8,627)	-	(8,627)	
Share options exercised	12	3,309	-	-	-	-	-	-	3,309	-	3,309	
Dividends paid	15	-	-	-	-	-	-	(959)	(959)	-	(959)	
Share-based payment transactions	21	-	-	-	-	-	-	2,050	2,050	-	2,050	
Total contributions by and distributions to owners		190,117	114,196	-	-	-	-	(7,535)	296,778	-	296,778	

The accompanying notes form an integral part of these financial statements.

**Consolidated statement of changes in equity (continued)**  
**Year ended 31 December 2015**

Group	Note	Attributable to owners of the Company									Non-controlling interests	Total equity
		Share capital	Perpetual securities	Redeemable exchangeable preference shares	Treasury shares	Foreign currency translation reserve	Hedging reserve	Statutory reserve	Retained earnings	Total		
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Changes in ownership interests in subsidiaries</b>												
	27	-	-	-	-	-	-	-	-	-	(6)	(6)
	27	-	-	-	-	-	-	-	-	-	51	51
											45	45
		190,117	114,196	-	-	-	-	-	(7,535)	296,778	45	296,823
		535,654	211,874	23,464	(102)	(20,218)	(1,098)	(6)	563,059	1,312,627	(6)	1,312,621

The accompanying notes form an integral part of these financial statements.



**Consolidated statement of changes in equity (continued)**  
**Year ended 31 December 2015**

Note	Attributable to owners of the Company										Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Perpetual securities US\$'000	Redeemable exchangeable preference shares US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Hedging reserve US\$'000	Statutory reserve US\$'000	Retained earnings US\$'000	Total US\$'000			
<b>Group</b>												
At 1 January 2015	535,654	211,874	23,464	(102)	(20,218)	(1,098)	(6)	563,059	1,312,627	(6)	1,312,621	
<b>Total comprehensive income for the year</b>												
Profit for the year	-	-	-	-	-	-	-	36,784	36,784	-	36,784	
<b>Other comprehensive income</b>												
Foreign currency translation differences relating to financial statements of foreign operations	-	-	-	-	(6,409)	-	-	-	(6,409)	-	(6,409)	
Share of foreign currency translation differences of associates	-	-	-	-	2,155	-	-	-	2,155	-	2,155	
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	-	(4,861)	-	-	-	(4,861)	-	(4,861)	
Effective portion of changes in fair value of cashflow hedges	-	-	-	-	-	(406)	-	-	(406)	-	(406)	
Total comprehensive income for the year	-	-	-	-	(9,115)	(406)	-	36,784	27,263	-	27,263	
<b>Transactions with owners of the Company, recognised directly in equity</b>												
<b>Contributions by and distributions to owners of the Company</b>												
Redemption of perpetual securities	-	(95,375)	-	-	-	-	-	9,063	(86,312)	-	(86,312)	
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(12,520)	(12,520)	-	(12,520)	
Repurchase of own shares	12	-	-	(1,378)	-	-	-	-	(1,378)	-	(1,378)	
Share options exercised	12	714	-	-	-	-	-	-	714	-	714	
Dividends paid	15	-	-	-	-	-	-	(1,193)	(1,193)	-	(1,193)	
Share-based payment transactions	21	-	-	-	-	-	-	2,121	2,121	-	2,121	
Total contributions by and distributions to owners		714	(95,375)	(1,378)	-	-	-	(2,529)	(98,568)	-	(98,568)	

The accompanying notes form an integral part of these financial statements.

**Consolidated statement of changes in equity (continued)**  
**Year ended 31 December 2015**

Group	Note	Attributable to owners of the Company								Non-controlling interests	Total equity	
		Share capital	Perpetual securities	Redeemable exchangeable preference shares	Treasury shares	Foreign currency translation reserve	Hedging reserve	Statutory reserve	Retained earnings			Total
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
<b>Changes in ownership interests in subsidiaries</b>												
Acquisition of non-controlling interests	27	-	-	-	-	-	-	-	(12)	(12)	6	(6)
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	(12)	(12)	6	(6)
Total transactions with owners		714	(95,375)	-	(1,378)	-	-	-	(2,541)	(98,580)	6	(98,574)
At 31 December 2015		536,368	116,499	23,464	(1,480)	(29,333)	(1,504)	(6)	597,302	1,241,310	-	1,241,310

The accompanying notes form an integral part of these financial statements.

**Consolidated statement of cash flows**  
**Year ended 31 December 2015**

	Note	2015 US\$'000	2014 US\$'000
<b>Cash flows from operating activities</b>			
Profit for the year		36,784	223,734
<b>Adjustments for:</b>			
Income tax expense	25	1,581	2,029
Depreciation expense	4	134,873	102,754
Gain on disposal of:			
- plant and equipment		–	(870)
- subsidiary	27	–	(34,904)
Gain from change in ownership interest in associates	7	(8,882)	–
Income from financial guarantee income provided to joint ventures		(2,112)	(6,190)
Finance income	23	(4,439)	(5,801)
Finance costs	23	26,412	22,488
Net impairment loss on:			
- plant and equipment	4	37,900	–
- trade receivables	9	43,228	209
Equity-settled share-based payment transactions	21	2,121	2,050
Share of results of joint ventures and associates, net of tax		(23,448)	(28,042)
<b>Operating profit before changes in working capital</b>		<b>244,018</b>	<b>277,457</b>
<b>Changes in working capital:</b>			
Trade receivables and other assets		(81,238)	(46,463)
Trade and other payables		49,738	(15,802)
Cash generated from operating activities		212,518	215,192
Tax paid		(3,666)	(1,643)
<b>Net cash from operating activities</b>		<b>208,852</b>	<b>213,549</b>
<b>Cash flows from investing activities</b>			
Advance payments for purchase of plant and equipment		(125,149)	(70,696)
Interest received		1,981	6,070
Investment in joint ventures		657	19,026
Investment in associates		(4,707)	(15,684)
Proceeds from disposal of plant and equipment		–	7,060
Proceeds from disposal of subsidiary, net of cash disposed of	27	–	10,614
Acquisition of subsidiary, net of cash acquired	27	–	(18,011)
Purchase of plant and equipment		(256,726)	(458,296)
<b>Net cash used in investing activities</b>		<b>(383,944)</b>	<b>(519,917)</b>

The accompanying notes form an integral part of these financial statements.

**Consolidated statement of cash flows (continued)**  
**Year ended 31 December 2015**

	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>US\$'000</b>	<b>US\$'000</b>
<b>Cash flows from financing activities</b>			
Interest paid		(37,888)	(30,385)
Net proceeds from issuance of perpetual securities		–	116,500
Net proceeds from issuance of notes		87,413	198,147
Net proceeds from issuance of ordinary shares		–	154,189
Net proceeds from exercise of share options		714	3,358
Dividends paid		(1,193)	(959)
Proceeds from borrowings		342,875	333,700
Repayment of borrowings		(250,504)	(162,407)
Repayment of notes		–	(79,694)
Repurchase of own shares		(1,378)	–
Redemption of perpetual securities		(86,312)	(2,304)
<b>Net cash from financing activities</b>		<u>53,727</u>	<u>530,145</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(121,365)	223,777
Cash and cash equivalents at 1 January		371,510	165,978
Effect of exchange rate fluctuations on cash held		(20,389)	(18,245)
<b>Cash and cash equivalents at 31 December</b>	11	<u><u>229,756</u></u>	<u><u>371,510</u></u>

The accompanying notes form an integral part of these financial statements.

## **Notes to the financial statements**

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 31 March 2016.

### **1 Domicile and activities**

Ezion Holdings Limited (the “Company”) is incorporated in Singapore. The address of the Company’s registered office is 15 Hoe Chiang Road, #12-05 Tower Fifteen, Singapore 089316.

The financial statements of the Company as at and for the year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interests in associates and joint ventures.

The principal activities of the Company are those of investment holding company and the provision of management services to its subsidiaries. The principal activities of the significant subsidiaries are set out in note 5 to the financial statements.

### **2 Basis of preparation**

#### **(a) Statement of compliance**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”).

#### **(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except as otherwise disclosed in the accounting policies below.

#### **(c) Functional and presentation currency**

These financial statements are presented in United States dollars (“US\$”), which is the Company’s functional currency. All financial information presented in United States dollars has been rounded to the nearest thousand, unless otherwise stated.

#### **(d) Use of estimates and judgments**

The preparation of financial statements in conformity with FRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected are discussed in note 31.

**(e) Changes in accounting policies**

On 1 January 2015, the Company adopted new and amended FRS and interpretations to FRS (“INT FRS”) that are mandatory for application for the financial year. Changes to the Company’s accounting policies have been made as required in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

**3 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in note 2(e), which addresses changes in accounting policies.

**(a) Basis of consolidation**

**(i) Business combinations**

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination* as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree’s net assets in the event of liquidation are measured either at fair value or at the non-controlling interests’ proportionate share of the recognised amounts of the acquiree’s identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

**(ii) *Subsidiaries***

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

**(iii) *Loss of control***

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

**(iv) *Investments in associates and joint ventures***

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds between 20% or more of the voting power of another entity.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates and joint ventures are accounted for using the equity method and are recognised initially at cost. The cost of the investments includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity accounted investees, after adjustments to align the accounting policies of the equity accounted investee with those of the Group, from the date that significant influence joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

**(v) *Transactions eliminated on consolidation***

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**(vi) *Accounting for subsidiaries, associate and joint ventures***

Investments in subsidiaries, associate and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

**(b) *Foreign currency***

**(i) *Foreign currency transactions***

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for the differences arising on the retranslation of available-for-sale equity instruments and retranslation of monetary items that are in substance form part of the Group's net investment in foreign operations (see (iii) below).

**(ii) *Foreign operations***

The assets and liabilities of foreign operations are translated to US\$ at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to US\$ at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.



When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in other comprehensive income, and are presented in the translation reserve in equity.

**(iii) *Net investment in foreign operations***

Exchange differences arising from monetary items that in substance form part of the Company's net investment in a foreign operation are recognised in the Company's profit or loss. Such exchange differences are reclassified to other comprehensive income in the consolidated financial statements. When the foreign operation is disposed of, the cumulative amount in equity is transferred to profit or loss as an adjustment to the profit or loss arising on disposal.

**(c) *Plant and equipment***

**(i) *Recognition and measurement***

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and is recognised in profit or loss.

**(ii) *Subsequent costs***

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Costs incurred on subsequent dry-docking of vessels are capitalised and depreciated over the shorter of period to next estimated dry-docking and five years. When significant dry-docking costs are incurred prior to the expiry of the depreciation period, the remaining costs of the previous dry-docking are written off in the month of the next dry-docking.

**(iii) *Depreciation***

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that plant and equipment are completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Vessels	8 – 25 years
Assets on board the vessels	3 – 10 years
Dry-docking expenditure	5 years
Rig and other oil and gas related assets	10 – 15 years
Renovation, furniture, fittings and office equipment	2 years
Motor vehicles	5 – 7 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

No depreciation is provided on assets under construction.

#### **(d) Financial instruments**

##### **(i) Non-derivative financial assets**

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

##### **Loans and receivables**

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade receivables and other assets (excludes advances to suppliers, prepayments, deferred expenditure, loan to investee company and available-for-sale financial asset).

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, pledged deposits are excluded from cash and cash equivalents.

### **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 3(g)(i)) and foreign currency differences on available-for-sale equity instruments (see note 3(b)(i)), are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Where equity instruments do not have a quoted market price in an active market and other methods of determining fair value do not result in a reliable estimate, the investment is measured at cost less impairment losses.

Available-for-sale financial assets comprise equity securities.

### **(ii) *Non-derivative financial liabilities***

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise financial liabilities, notes payable and trade and other payables (excludes downpayments and advances from customers, interest rate swaps used for hedging and deferred revenue).

**(iii) Share capital**

**Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

**Perpetual securities**

The perpetual securities do not have a maturity date and the Company is able to elect to defer making a distribution subject to the term and conditions of the securities issued. Accordingly, the Company is not considered to have a contractual obligation to make principal repayments or distributions in respect of its perpetual securities issued and the perpetual capital securities are presented within equity. Distributions are treated as dividends which will be directly debited from equity. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

**Preference share capital**

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary.

Preference share capital is classified as a financial liability if it is redeemable on a specific date or at the option of the shareholders.

**(iv) Repurchase, disposal and reissue of share capital (treasury shares)**

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

**(v) Intra-group financial guarantees**

Financial guarantees are financial instruments issued by the Group that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are recognised initially at fair value and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantees is transferred to profit or loss.

**(vi) *Derivative financial instruments, including hedge accounting***

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be “highly effective” in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80%-125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivatives are recognised initially at fair value; attributable transactions are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised immediately in profit or loss.

*Cash flow hedges*

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the non-financial item affects profit or loss. In other cases as well, the amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to profit or loss.

*Other non-trading derivatives*

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss. Other non-trading derivatives comprise share options in associates.

**(e) Leases**

***(i) When entities within the Group are lessees of a finance lease***

Leased assets in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Leased assets are depreciated over the shorter of the lease term and their estimated useful lives. Lease payments are apportioned between finance expense and reduction of the lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

At inception, an arrangement that contains a lease is accounted for as such based on the terms and conditions even though the arrangement is not in the legal form of a lease.

***(ii) When entities within the Group are lessees of an operating lease***

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

***(iii) When entities within the Group are lessors of a finance lease***

When entities within the Group are lessor of the finance lease, the amounts due under the leases, after deduction of unearned charges, are included in "Finance lease receivables" as appropriate. The difference between the gross receivable and present value of the receivable is recognised as unearned interest. Interest receivable is recognised over the periods of the leases so as to give a constant rate of return on the net investment in the leases.

***(iv) When entities within the Group are lessors of an operating lease***

Where the Group leases out assets under operating leases, the leased assets are included in statement of financial position according to their nature and, where applicable, are depreciated in accordance with Group's depreciation policies. Revenue arising from operating leases is recognised in accordance with the Group's revenue recognition policies.

**(f) Inter-company loans**

In the Company's financial statements, inter-company loans to subsidiaries are stated at fair value at inception. The difference between the fair value and the loan amount at inception is recognised as additional investments in subsidiaries in the Company's financial statements. Subsequently, these loans are measured at amortised cost using the effective interest rate method. The unwinding of the difference is recognised as interest income in profit or loss over the expected repayment period.

Inter-company loans, where settlement is neither planned nor likely to occur in the foreseeable future, are in substance, part of the holding company's net investment in the entities and are stated at cost less accumulated impairment losses.

Such balances are eliminated in full in the Group's consolidated financial statements.

**(g) Impairment**

**(i) *Non-derivative financial assets***

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group considers a decline of 20% to be significant and a period of 9 months to be prolonged.

**Loans and receivables**

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

#### **Available-for-sale financial assets**

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

#### **(ii) Non-financial assets**

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.



Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(h) Non-current assets held for sale**

Non-current assets comprising assets and liabilities that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter, the assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale or distribution and subsequent gains nor losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Plant and equipment once classified as held for sale are not depreciated.

**(i) Employee benefits**

**(i) *Defined contribution plans***

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

**(ii) *Short-term employee benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(iii) Share-based payment transactions**

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

**(j) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**(k) Revenue recognition**

**(i) Chartering and offshore support services**

Revenue from chartering and offshore support services relates to chartering of vessels and is recognised in profit or loss on a straight-line basis over the respective term of the charter, net of trade discounts.

**(ii) Rendering of marine services**

Revenue from rendering of marine services is recognised when the related services have been rendered.

**(iii) Sale of goods**

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

**(iv) Management services fees**

Management services fees are recognised when the related services are rendered.

**(v) Dividend income**

Dividend income is recognised in profit or loss when the shareholders' right to receive payment is established.

**(l) Finance income and costs**

Finance income comprises interest income on bank deposits and finance leases. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

**(m) Income tax expense**

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous periods.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of the existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

**(n) Earnings per share**

The Group presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise redeemable exchangeable preference shares and share options granted to employees.

**(o) Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. All operating segments’ operating results are reviewed regularly by the Group’s Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group’s Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company’s headquarters), head office expenses and tax liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire plant and equipment.

**(p) New standards and interpretations not adopted**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. The Group is currently assessing the potential impact of adopting these new standards and interpretations, on the financial statements of the Group and the Company. The Group does not plan to adopt these standards early.

These new standards include, among others, FRS 115 *Revenue from Contracts with Customers* and FRS 109 *Financial Instruments* which are mandatory for the adoption by the Group on 1 January 2018.

- FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces a new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.
- FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

As FRS 115 and FRS 109, when effective, will change the existing accounting standards and guidance applied by the Group and the Company in accounting for revenue and financial instruments, these standards are expected to be relevant to the Group and the Company.

The Accounting Standards Council (ASC) announced on 29 May 2014 that Singapore-incorporated companies listed on the Singapore Exchange (SGX) will apply a new financial reporting framework identical to the International Financial Reporting Standards (“IFRS”) for financial year ending 31 December 2018 onwards. Singapore-incorporated companies listed on SGX will have to assess the impact of IFRS 1: *First-time adoption of IFRS* when transitioning to the new reporting framework. The Group is currently assessing the impact of transitioning to the new reporting framework on its financial statements.

## 4 Plant and equipment

Group	Note	Assets under construction US\$'000	Vessels US\$'000	Assets on board the vessels US\$'000	Dry-docking expenditure US\$'000	Rig and other oil and gas related assets US\$'000	Renovation, furniture, fittings and office equipment US\$'000	Motor vehicles US\$'000	Total US\$'000
<b>Cost</b>									
At 1 January 2014		543,899	540,954	2,793	1,820	446,386	3,091	869	1,539,812
Additions		349,140	20,358	–	12,536	136,388	1,035	203	519,660
Disposals		–	(772)	–	–	(7,348)	(2)	(87)	(8,209)
Disposal of subsidiaries	27	(3,702)	(122)	–	–	(1,236)	(33,484)	(271)	(38,815)
Acquisition of subsidiaries	27	–	–	31	–	302,788	3	–	302,822
Reclassification		(113,279)	(183,687)	–	–	264,848	32,118	–	–
Translation differences on consolidation		(159)	(853)	–	–	(2,328)	(845)	(3)	(4,188)
At 31 December 2014		775,899	375,878	2,824	14,356	1,139,498	1,916	711	2,311,082
Additions		193,864	4,676	3	2,730	231,101	599	–	432,973
Reclassification		(213,690)	–	–	–	213,690	–	–	–
Reclassification to assets held for sale		–	–	–	–	(117,427)	–	–	(117,427)
Translation differences on consolidation		–	(1,034)	–	–	(5,382)	–	–	(6,416)
At 31 December 2015		756,073	379,520	2,827	17,086	1,461,480	2,515	711	2,620,212
<b>Accumulated depreciation and impairment losses</b>									
At 1 January 2014		–	44,714	1,854	727	27,008	1,096	446	75,845
Depreciation charge for the year		–	15,897	270	495	85,374	617	101	102,754
Disposals		–	(772)	–	–	(1,177)	–	(68)	(2,017)
Disposal of subsidiaries	27	–	(21)	–	–	(528)	(421)	(69)	(1,039)
Reclassification		–	(16,562)	–	–	16,562	–	–	–
Translation differences on consolidation		–	3	–	–	(45)	2	(1)	(41)
At 31 December 2014		–	43,259	2,124	1,222	127,194	1,294	409	175,502
Depreciation charge for the year		–	16,128	256	610	117,350	439	90	134,873
Impairment loss for the year		–	9,446	–	–	28,454	–	–	37,900
Reclassification to assets held for sale		–	–	–	–	(11,874)	–	–	(11,874)
Translation differences on consolidation		–	(52)	–	–	(254)	–	–	(306)
At 31 December 2015		–	68,781	2,380	1,832	260,870	1,733	499	336,095

<b>Group</b>	<b>Note</b>	<b>Assets under construction US\$'000</b>	<b>Vessels US\$'000</b>	<b>Assets on board the vessels US\$'000</b>	<b>Dry-docking expenditure US\$'000</b>	<b>Rig and other oil and gas related assets US\$'000</b>	<b>Renovation, furniture, fittings and office equipment US\$'000</b>	<b>Motor vehicles US\$'000</b>	<b>Total US\$'000</b>
<b>Carrying amounts</b>									
At 1 January 2014		543,899	496,240	939	1,093	419,378	1,995	423	1,463,967
At 31 December 2014		775,899	332,619	700	13,134	1,012,304	622	302	2,135,580
At 31 December 2015		756,073	310,739	447	15,254	1,200,610	782	212	2,284,117

During the financial year, the Group acquired plant and equipment with an aggregate cost of approximately US\$432,973,000 (2014: US\$519,660,000) of which approximately US\$71,789,000 (2014: US\$17,757,000) was paid in advance to the suppliers in the previous year.

<b>Company</b>	<b>Renovation, furniture, fittings and office equipment US\$'000</b>	<b>Motor vehicles US\$'000</b>	<b>Total US\$'000</b>
<b>Cost</b>			
At 1 January 2014	1,284	641	1,925
Additions	172	158	330
Disposals	(2)	(87)	(89)
At 31 December 2014	1,454	712	2,166
Additions	169	–	169
At 31 December 2015	1,623	712	2,335
<b>Accumulated depreciation and impairment losses</b>			
At 1 January 2014	828	409	1,237
Depreciation charge for the year	181	69	250
Disposals	–	(68)	(68)
At 31 December 2014	1,009	410	1,419
Depreciation charge for the year	259	90	349
At 31 December 2015	1,268	500	1,768
<b>Carrying amounts</b>			
At 1 January 2014	456	232	688
At 31 December 2014	445	302	747
At 31 December 2015	355	212	567

***Impairment assessment***

*Vessels and rigs*

In 2015, the significant decline in oil prices during the year had an adverse impact on charter rates and valuation of the Group's rigs and vessels. As a result, the Group tested its vessels and rigs for impairment and recognised impairment losses of US\$9,446,000 and US\$28,454,000 for the vessels and rigs respectively. The impairment losses were included in 'other operating expenses' in the Group's income statement.

For the purpose of impairment assessment, each vessel and rig is a separate cash-generating unit ("CGU") and management has estimated the recoverable amounts of its vessels and rigs based on their value in use.



The value in use calculation was based on cash flow projections with the following key assumptions:

	<b>Vessels</b>	<b>Rigs</b>
Period of cash flow projections	Estimated remaining useful life	Estimated remaining useful life
Charter rates		
- FY2016 to FY2017	Actual FY2015 or FY2016 secured charter rates	Actual FY2015 or FY2016 secured charter rates
- FY2018 onwards	Same rates as assumed for FY2016 to FY2017	An average upwards revision of 15% in FY2018 and no change thereafter
Effective utilisation rate		
- FY2016	10%	50 - 55%
- FY2017 onwards	50 - 55%	90%
Pre-tax discount rate	8.9%	9.3%

The cash flow projections were based on forecasts prepared by the management taking into account of past experience. The discount rates applied to the cash flow projections were estimated based on weighted average cost of capital of similar assets. Following the impairment loss recognised in the vessels and rigs, the recoverable amounts are equal to the carrying amounts and any adverse movements in the key assumptions can lead to further impairment losses in future periods.

In 2014, there was no impairment loss recognised on the Group's plant and equipment.

#### *Assets under construction*

Under the Group's impairment assessment of its vessels under construction, the recoverable amounts for the Group's vessels under construction were determined based on the value-in-use calculations using similar key assumptions, as detailed above. Based on the management's assessment, there was no impairment noted for the vessels under construction at the reporting date.

#### **Security**

The vessels and rigs are pledged to secure the term loan facilities granted by financial institutions (note 18).

#### **Plant and equipment under construction**

The Group has assets under construction with costs capitalised up to the reporting date totalling US\$756,073,000 (2014: US\$775,899,000). Included in the aforementioned capitalised costs are borrowing costs related to the construction of assets amounting to US\$56,282,000 (2014: US\$36,436,000). Borrowing costs capitalised during the year amounted to US\$26,511,000 (2014: US\$15,874,000).

The depreciation charge of the Group is recognised in the following line items of profit or loss:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Cost of sales	134,380	102,073
Administrative expenses	493	681
	<u>134,873</u>	<u>102,754</u>

## 5 Subsidiaries

	<b>Company</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Equity investments, at cost	291,418	273,337
Impairment losses	(27,286)	(155)
	<u>264,132</u>	<u>273,182</u>
Loans to subsidiaries	1,009,664	770,172
Impairment losses	(46,570)	–
	<u>963,094</u>	<u>770,172</u>
	<u>1,227,226</u>	<u>1,043,354</u>

Except for amounts of US\$445,056,000 (2014: US\$376,279,000) which bear interest ranging from 3.65% to 5.10% (2014: 4.6% to 8%) per annum, the loans to subsidiaries are interest-free. The loans to subsidiaries are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. As the amounts are, in substance, a part of the Company's net investments in the subsidiaries, they are stated at cost less impairment.

### *Impairment losses*

The change in impairment loss in respect of equity investments in subsidiaries was as follows:

	<b>Company</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>
At 1 January	155	155
Utilised	(155)	–
Impairment losses	27,286	–
At 31 December	<u>27,286</u>	<u>155</u>

The change in impairment loss in respect of loans to subsidiaries was as follows:

	<b>Company</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>
At 1 January	–	–
Impairment losses	46,570	–
At 31 December	<u>46,570</u>	<u>–</u>

The impairment losses amounting to US\$27,286,000 (2014: Nil) and US\$46,570,000 (2014: Nil) in 2015 were recognised in respect of the Company's investments in and loans to subsidiaries as a result of losses incurred by these subsidiaries in their underlying assets. The Group has taken impairment loss on these assets in view of the decline in their operating environment (note 4). The recoverable amounts for each of the relevant subsidiaries were estimated based on value in use calculations using assumptions detailed in note 4.

A subsidiary is considered significant if its net tangible assets represent 2% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 2% or more than the Group's consolidated pre-tax profits.

Details of the significant subsidiaries are as follows:

Name of significant subsidiary	Principal activities	Country of incorporation	2015 %	2014 %
<u>Held by the Company</u>				
Teras Offshore Pte Ltd <sup>1</sup>	Shipping agent and provision of ship chartering services, ship management services and engineering works.	Singapore	100	100
Teras Conquest 2 Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Conquest 5 Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Conquest 6 Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras 375 Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Pneuma Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Atlantic London Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras 336 Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Atlantic Esbjerg Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Atlantic Amsterdam Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Atlantic Tiburon 2 Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Ezion Investments Pte Ltd <sup>1</sup>	Investment holding	Singapore	100	100
Kenai Offshore Ventures, LLC <sup>2</sup>	Ship owner and provision of ship chartering services	United States of America	100	100
Teras Conquest 1 Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Conquest 4 Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Conquest 3 Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Transporter Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Fortress 2 Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Atlantic Tiburon 1 Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Harta Maritime Limited <sup>2</sup>	Ship owner and provision of ship chartering services	Bahamas	100	100

Name of significant subsidiary	Principal activities	Country of incorporation	2015 %	2014 %
<u>Held by the Company</u> (continued)				
Teras Investments Pte Ltd <sup>1</sup>	Investment holding	Singapore	100	100
Meridian Maritime Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Sunrise Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Oranda Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Progress Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Wallaby Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
Teras Atlantic Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100
<u>Held by Teras Investments Pte Ltd</u>				
Other indirect significant subsidiary:				
Resilient Energy Limited <sup>3</sup>	Ship owner and provision of ship chartering services	Malaysia	100	100
GSP Magellan Limited <sup>3</sup>	Ship owner and provision of ship chartering services	Malaysia	100	100
Nora Limited <sup>3</sup>	Ship owner and provision of ship chartering services	Malaysia	100	100
<u>Held by Ezion Investments Pte Ltd</u>				
Other indirect significant subsidiaries:				
Teras Oranda Limited <sup>2</sup>	Ship owner, provision of ship chartering services and cargo transportation	British Virgin Islands	100	100
Teras BBC Houston (BVI) Limited <sup>2</sup>	Ship owner, provision of ship chartering services and cargo transportation	British Virgin Islands	100	100
Victory Drilling Limited <sup>4</sup>	Ship owner and provision of ship chartering services	Mauritius	100	100
Jackup Drilling Limited <sup>4</sup>	Ship owner and provision of ship chartering services	Mauritius	100	100
Ezion Exerter Limited <sup>4</sup>	Ship owner and provision of ship chartering services	Mauritius	100	100
Teras Endeavour Limited <sup>4</sup>	Ship owner and provision of ship chartering services	Mauritius	100	100
Teras Maritime Pty Ltd <sup>5</sup>	Ship owner and provision of ship chartering services	Australia	100	100

Name of significant subsidiary	Principal activities	Country of incorporation	2015 %	2014 %
<u>Held by Teras Conquest 3 Pte Ltd</u>				
Other indirect significant subsidiary:				
Atlantic Labrador Pte Ltd <sup>1</sup>	Ship owner and provision of ship chartering services	Singapore	100	100

<sup>1</sup> Audited by KPMG LLP, Singapore.

<sup>2</sup> Not required to be audited in accordance with the law of the country of incorporation.

<sup>3</sup> Audited by PKF, Malaysia.

<sup>4</sup> Audited by KPMG (Mauritius).

<sup>5</sup> Audited by RSM, Australia.

A subsidiary is considered significant if its net tangible assets represent 2% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 2% or more than the Group's consolidated pre-tax profits.

## 6 Joint ventures

	Group		Company	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
Interests in joint ventures	75,878	49,322	15,737	15,734
Loans to joint ventures	55,476	54,787	36,022	35,784
	131,354	104,109	51,759	51,518

Except for amounts of US\$27,579,000 (2014: US\$27,128,000) which bear interest ranging from 6% to 8% per annum (2014: 6% to 8% per annum), the loans to joint ventures are interest-free. The loans to joint ventures are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. As the amounts are, in substance, a part of the Company's net investments in the joint ventures, they are stated at cost.

The Group has one (2014: one) joint venture that is material and a number of joint ventures that are individually immaterial to the Group. All joint ventures are equity accounted. The following is the Group's material joint venture:

### Strategic Offshore Limited (SOL)

Nature of relationship with the Group	Strategic partner principally engaged in offshore logistic support vessels' services
Country of incorporation	Malta
Ownership interest	50% (2014: 50%)

The above joint arrangement in which the Group has joint control, is an unlisted entity.

The following table summarises the financial information of the Group's material joint venture, based on its financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also includes summarised financial information for the Group's interest in immaterial joint ventures, based on the amounts reported in the Group's consolidated financial statements.

	<b>SOL</b> <b>US\$'000</b>
<b>2015</b>	
Revenue	61,356
Profit from operations	38,168
<b>Total comprehensive income</b>	38,168

Includes:

- depreciation and amortisation of US\$16,533,000
- interest expense of US\$5,338,000
- income tax expense of US\$1,832,000

Non-current assets	193,767
Current assets	80,019
Non-current liabilities	(97,396)
Current liabilities	(68,525)
<b>Net assets</b>	107,865

Includes:

- cash and cash equivalents of US\$2,083,000
- non-current financial liabilities (excluding trade and other payables and provisions) of US\$52,466,000
- current financial liabilities (excluding trade and other payables and provisions) of US\$34,749,000

	<b>SOL</b> <b>US\$'000</b>	<b>Immaterial</b> <b>joint ventures</b> <b>US\$'000</b>	<b>Total</b> <b>US\$'000</b>
<b>Group's interest in net assets of investee at beginning of the year</b>	41,438	7,884	49,322
Group's share of profit from operations	19,084	8,819	27,903
Group's contribution during the year	–	3	3
Return of capital during the year	–	(1,350)	(1,350)
Carrying amount of interest in investee at end of the year	60,522	15,356	75,878

	<b>SOL</b> <b>US\$'000</b>
<b>2014</b>	
Revenue	63,884
Profit from operations	38,174
<b>Total comprehensive income</b>	38,174

Includes:

- depreciation and amortisation of US\$15,553,000
- interest expense of US\$6,687,000
- income tax expense of US\$2,396,000

	<b>SOL</b> <b>US\$'000</b>
<b>2014</b>	
Non-current assets	207,670
Current assets	54,241
Non-current liabilities	(128,843)
Current liabilities	(63,355)
<b>Net assets</b>	<b>69,713</b>

Includes:

- cash and cash equivalents of US\$12,607,000
- non-current financial liabilities (excluding trade and other payables and provisions) of US\$87,215,000
- current financial liabilities (excluding trade and other payables and provisions) of US\$34,749,000

	<b>SOL</b> <b>US\$'000</b>	<b>Immaterial</b> <b>joint ventures</b> <b>US\$'000</b>	<b>Total</b> <b>US\$'000</b>
<b>Group's interest in net assets of investee at beginning of the year</b>	22,351	63,525	85,876
Group's share of profit from operations	19,087	3,585	22,672
Translation difference	–	(120)	(120)
Group's contribution during the year	–	3,897	3,897
Dividends received	–	(270)	(270)
Carrying amount of interest in joint ventures which have become subsidiaries	–	(62,733)	(62,733)
Carrying amount of interest in investee at end of the year	41,438	7,884	49,322

The joint ventures had no capital commitments and contingent liabilities as at 31 December 2015 and 2014.

## 7 Associates

	<b>Group</b>		<b>Company</b>	
	<b>2015</b> <b>US\$'000</b>	<b>2014</b> <b>US\$'000</b>	<b>2015</b> <b>US\$'000</b>	<b>2014</b> <b>US\$'000</b>
Interests in associates	48,392	41,110	51,253	46,537
Impairment loss	–	–	(21,500)	–
	48,392	41,110	29,753	46,537
Loan to an associate	24,229	27,695	24,229	27,695
	72,621	68,805	53,982	74,232

Details of the associates are as follows:

	<b>Alpha Energy Limited<sup>1</sup> (Alpha Energy)</b>	<b>AusGroup Limited<sup>2</sup> (AusGroup)</b>	<b>Charisma Energy Services Limited<sup>1</sup> (Charisma Energy Services)</b>
Nature of relationship with the Group	Strategic partner in ownership of oil reserves in Alaska	Strategic partner in ownership and management of port and marine base in Australia	Strategic partner in ownership and management of energy assets
Country of incorporation	Singapore	Singapore	Singapore
Ownership interest	29.86% (2014: 14.44%)	17.83% (2014: 17.83%)	42.54% <sup>3</sup> (2014: 49.60%)
Fair value of ownership interest (if listed)	US\$6,747,000 (2014: US\$7,311,000)	US\$14,010,000 (2014: US\$29,983,000)	US\$46,356,000 (2014: US\$115,612,000)

<sup>1</sup> Audited by KPMG LLP, Singapore.

<sup>2</sup> Audited by PricewaterhouseCoopers LLP, Singapore

<sup>3</sup> Voting rights held: 21.27% (2014: 24.65%)

The Group has less than 20% ownership of the equity interests of AusGroup. However, the Group determined that it has significant influence because it has representation on the board of directors of AusGroup Limited.

During the year, the Group subscribed for:

- 370,000,000 new ordinary shares in the capital of Charisma Energy Services Limited, by way of share options at an exercise price of S\$0.0018 per share and the consideration for the subscription shares were satisfied by cash; and
- 64,000,000 new ordinary shares in the capital of Alpha Energy Limited, at an issue price of S\$0.09 per share and the consideration for the subscription shares were satisfied by cash.

In 2014, the Group subscribed for:

- 960,332,000 new ordinary shares in the capital of Charisma Energy Services Limited, by way of share options at an exercise price of S\$0.0018 per share and the consideration for the subscription shares were satisfied by cash;
- 42,000,000 new ordinary shares in the capital of Alpha Energy Limited, at an issue price of S\$0.09 per share and the consideration for the subscription shares were satisfied by the allotment and issuance of the shares of the Company at an issue price of S\$2.0445 per share;
- 39,900,000 ordinary shares in the capital of AusGroup Limited, at an issue price of S\$0.355 per share and the consideration for the subscription shares were satisfied by cash; and
- 92,156,000 new ordinary shares in the capital of AusGroup Limited, at an issue price of S\$0.3456 per share and the new ordinary shares were issued in consideration for the acquisition of the Group's subsidiaries by AusGroup Limited (note 27).



The following summarises the financial information of each of the Group's material associates based on their respective (consolidated) financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also includes summarised financial information for the Group's interest in immaterial associates, based on the amounts reported in the Group's consolidated financial statements.

	<b>Charisma Energy Services US\$'000</b>	<b>AusGroup US\$'000</b>
<b>2015</b>		
Revenue	24,290	325,202
Profit/(loss) from operations	9,041	(49,920)
Other comprehensive income	–	12,082
<b>Total comprehensive income</b>	<b>9,041</b>	<b>(37,838)</b>
Non-current assets	109,733	228,727
Current assets	22,249	163,316
Non-current liabilities	(68,382)	(43,307)
Current liabilities	(18,237)	(217,624)
<b>Net assets</b>	<b>45,363</b>	<b>131,112</b>

	<b>Charisma Energy Services US\$'000</b>	<b>AusGroup US\$'000</b>	<b>Immaterial associates US\$'000</b>	<b>Total US\$'000</b>
<b>2015</b>				
<b>Group's interest in net assets of investee at beginning of the year</b>	12,661	25,738	2,711	41,110
Group's share of:				
- profit/(loss) from operations	4,508	(8,903)	(60)	(4,455)
- other comprehensive income	–	2,155	–	2,155
Gain from change in ownership interests	4,219	–	4,663	8,882
Translation difference	–	(4,585)	578	(4,007)
Group's contribution during the year	490	–	4,217	4,707
<b>Carrying amount of interest in investee at end of the year</b>	<b>21,878</b>	<b>14,405</b>	<b>12,109</b>	<b>48,392</b>

	<b>Charisma Energy Services US\$'000</b>	<b>AusGroup US\$'000</b>
<b>2014</b>		
Revenue	173,136	99,663
Profit from operations	10,568	893
Other comprehensive income	–	(834)
<b>Total comprehensive income</b>	<b>10,568</b>	<b>59</b>
Non-current assets	91,531	188,741
Current assets	8,784	209,152
Non-current liabilities	(48,222)	(127,614)
Current liabilities	(19,572)	(81,733)
<b>Net assets</b>	<b>32,521</b>	<b>188,546</b>

	<b>Charisma Energy Services US\$'000</b>	<b>AusGroup US\$'000</b>	<b>Immaterial associates US\$'000</b>	<b>Total US\$'000</b>
<b>2014</b>				
<b>Group's interest in net assets of investee at beginning of the year</b>	6,050	–	77	6,127
Group's share of:				
- profit/(loss) from operations	5,242	159	(31)	5,370
- other comprehensive income	–	(149)	–	(149)
Translation difference	–	(1,189)	(303)	(1,492)
Group's contribution during the year	1,369	26,917	3,050	31,336
Disposal of an associate	–	–	(82)	(82)
<b>Carrying amount of interest in investee at end of the year</b>	<b>12,661</b>	<b>25,738</b>	<b>2,711</b>	<b>41,110</b>

There were no contingent liabilities as at 31 December 2015 and 31 December 2014.

## 8 Other assets

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Non-current</b>				
Available-for-sale equity security	48	48	–	–
Deposits to suppliers	6,445	8,700	–	–
Loan to investee company	4,952	4,952	–	–
Prepayments	121	132	121	132
	<u>11,566</u>	<u>13,832</u>	<u>121</u>	<u>132</u>
<b>Current</b>				
Advances to suppliers	44,533	102,223	–	–
Deposits to suppliers	9,764	9,471	4,138	4,154
Deferred expenditure	318	1,197	–	–
Prepayments	3,234	1,782	80	76
Non-trade amounts due from:				
- associates	437	–	437	–
- joint ventures	–	–	392	707
Interest receivables	6,879	4,913	41,015	24,101
Other receivables	15,023	7,969	2,799	2,613
	<u>80,188</u>	<u>127,555</u>	<u>48,861</u>	<u>31,651</u>
<b>Total</b>	<u>91,754</u>	<u>141,387</u>	<u>48,982</u>	<u>31,783</u>

The equity security is unquoted and stated at cost less impairment loss, as there is no active market for the investment and its fair value could not be reliably measured.

Deposits to suppliers largely relate to deposits made to service providers, such as vessel owners.

Loan to investee company is interest-free, unsecured and settlement is neither planned nor likely to occur in foreseeable future. As the amount is in substance, a part of the Group's investment in an investee company, it is stated at cost.

Non-trade amounts due from associates and joint ventures are unsecured, interest-free and repayable on demand.

There is no allowance for doubtful debts arising from outstanding non-trade balances with related parties.

Deposits to suppliers, non-trade amounts due from related parties, interest receivables and other receivables are not past due.

There are no impairment losses (2014: no impairment losses) arising from deposits to suppliers, non-trade amounts due from related parties, interest receivables and other receivables.

## 9 Trade receivables

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Trade amounts due from:				
- associates	12,660	106	–	106
- joint ventures	–	–	243	–
- subsidiaries	–	–	7,813	3,711
- third parties	230,358	166,017	21	236
	<u>243,018</u>	<u>166,123</u>	<u>8,077</u>	<u>4,053</u>
Impairment losses	(49,771)	(6,543)	–	–
Total trade receivables	<u>193,247</u>	<u>159,580</u>	<u>8,077</u>	<u>4,053</u>

Trade amounts due from associates, joint ventures and subsidiaries are unsecured and are not past due.

There are no impairment losses (2014: no impairment losses) arising from outstanding trade balances due from the associates, joint ventures and subsidiaries in the current financial year.

The Group's primary exposure to credit risk relating to trade receivables arising mainly from the chartering income by the subsidiaries. These customers are mainly national oil majors that are engaged in a wide spectrum of offshore activities. The Group and the Company's exposure to credit risk for trade receivables are disclosed in note 32.

The maximum exposure to credit risk for trade receivables, excluding trade amounts due from subsidiaries at the reporting date (by type of customer) was:

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Government related and multi-national entities	185,100	151,959	21	106
Small-medium enterprises	8,147	7,621	243	236
	<u>193,247</u>	<u>159,580</u>	<u>264</u>	<u>342</u>

### *Impairment losses*

The ageing of trade receivables due from third parties and related parties at the reporting date was:

	<b>2015</b>		<b>2014</b>	
	<b>Gross</b>	<b>Impairment</b>	<b>Gross</b>	<b>Impairment</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Group</b>				
Not past due or less than 60 days overdue	67,208	–	76,989	–
Past due 61 – 120 days	23,781	–	12,555	–
Past due more than 120 days	152,029	(49,771)	76,579	(6,543)
	<u>243,018</u>	<u>(49,771)</u>	<u>166,123</u>	<u>(6,543)</u>

The change in impairment loss in respect of trade receivables due from third parties during the year was as follows:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>
At 1 January	6,543	6,334
Impairment loss	43,228	235
Amount reversed	–	(26)
At 31 December	49,771	6,543

At 31 December 2015, impairment losses of the Group amounted to US\$49,771,000, which relate to customers who have indicated that they are not expecting to be able to pay their full outstanding balances, mainly due to economic circumstances.

Apart from the above, based on historical default rates, the Group believes that no additional impairment allowance is necessary in respect of the remaining trade receivables.

## **10 Assets held for sale and liabilities relating to assets held for sale**

As at 31 December 2015, the Group is committed to a plan to sell two self-propelled jack-up rigs. Accordingly, the carrying amount of these two service rigs and their related secured bank loans were presented as assets held for sale and liabilities relating to assets held for sale respectively. The sale is expected to be completed in the first half of 2016.

## **11 Cash and cash equivalents**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Cash at bank and in hand	90,494	206,427	50,620	153,409
Fixed deposits	139,262	165,083	137,762	163,583
Cash and cash equivalents	229,756	371,510	188,382	316,992

The interest rates for cash at bank and fixed deposits for the Group and the Company range between 0.70% and 2.03% (2014: 0.10% and 1.43%) per annum. The fixed deposits are repriced on a daily to yearly basis for both years.

The deposits were pledged as security to obtain credit facilities (note 18).

## 12 Share capital

	<b>Group and Company</b>	
	<b>2015</b>	<b>2014</b>
	<b>No. of shares</b>	<b>No. of shares</b>
	<b>'000</b>	<b>'000</b>
At 1 January	1,578,988	1,185,400
Shares issued during the year	–	383,378
Exercise of share options	1,953	10,210
At 31 December	1,580,941	1,578,988

All shares rank equally with regard to the Company's residual assets. All issued shares are fully paid with no par value.

### **Ordinary shares**

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

#### *Issuance of ordinary shares*

In 2015, the following shares were issued under the Company's Employee Share Option Scheme:

- (i) 288,000 shares issued at an exercise price of US\$0.212 (equivalent to S\$0.288), amounting to US\$61,000 (equivalent to S\$83,000);
- (ii) 1,622,040 shares issued at an exercise price of US\$0.38 (equivalent to S\$0.514), amounting to US\$616,000 (equivalent to S\$834,000);
- (iii) 43,200 shares issued at an exercise price of US\$0.81 (equivalent to S\$1.083), amounting to US\$35,000 (equivalent to S\$47,000);

In 2014, the Company issued:

- 18,392,046 shares at US\$1.7709 (equivalent to S\$2.2407) per share amounting to US\$32,570,000 (equivalent to S\$41,211,000). The issuance of shares is for the acquisition of the entire share capital of Teras Conquest 4 Pte Ltd.
- 100,000,000 shares at US\$1.5440 (equivalent to S\$1.94) per share amounting to US\$151,245,000 (equivalent to S\$190,039,000), net of transaction costs of US\$3,152,000 (equivalent to S\$3,961,000). All issued shares are fully paid.
- 1,848,862 shares at US\$1.6293 (equivalent to S\$2.0445) per share amounting to US\$3,009,000 (equivalent to S\$3,776,000), net of transaction costs of US\$3,000 (equivalent to S\$4,000). The issuance of shares is for the acquisition of 42,000,000 shares in the issued share capital of Alpha Energy Limited.
- 263,136,643 ordinary shares pursuant to the bonus issue on the basis of one bonus share for every five existing ordinary shares (the "Bonus Shares II"). The Bonus Shares II are issued as fully paid at nil consideration to entitled shareholders, without capitalisation of the Company's reserves and rank pari passu in all respects with the existing ordinary shares in the capital of the Company.

In 2014, the following shares were issued under the Company's Employee Share Option Scheme:

- (i) 3,498,000 shares issued at an exercise price of US\$0.2744 (equivalent to S\$0.345), amounting to US\$960,000 (equivalent to S\$1,207,000);
- (ii) 1,744,200 shares issued at an exercise price of US\$0.4916 (equivalent to S\$0.617), amounting to US\$857,000 (equivalent to S\$1,076,000);
- (iii) 4,800,000 shares issued at an exercise price of US\$0.2989 (equivalent to S\$0.375), amounting to US\$1,434,000 (equivalent to S\$1,800,000);
- (iv) 57,600 shares issued at an exercise price of US\$0.2254 (equivalent to S\$0.288), amounting to US\$13,000 (equivalent to S\$17,000); and
- (v) 110,400 shares issued at an exercise price of US\$0.4022 (equivalent to S\$0.514), amounting to US\$44,000 (equivalent to S\$57,000).

***Capital management***

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may issue new shares, buy back issued shares, obtain new borrowings or reduce its borrowings.

The Group monitors capital based on gearing ratio. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as financial liabilities and notes payable less cash and cash equivalents. Total equity includes equity attributable to owners of the Company, perpetual securities, redeemable exchangeable preference shares, reserves and retained earnings.

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Financial liabilities	1,226,355	1,180,512
Notes payable	378,691	315,532
Less: Cash and cash equivalents	(229,756)	(371,510)
Net debt	1,375,290	1,124,534
Total equity	1,241,310	1,312,627
Gearing ratio (times)	1.11	0.86

There were no changes in the Group's approach to capital management during the year.

The Singapore vessels-owning companies are required to have a minimum share capital of US\$40,846 (equivalent to S\$50,000) as required by the Maritime and Port Authority of Singapore. Except for the above, the Company and its subsidiaries are not subject to externally imposed capital requirements.

## 13 Perpetual securities

The Company has a Multi-currency Debt Issuance Programme (the “Programme”) which allows the Company from time to time to issue notes and perpetual securities in any currency. The limit of the Programme was increased from S\$500 million to S\$1.5 billion with effect from 8 May 2014. Under the Programme, the perpetual securities shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu*, without any preference among themselves, and with any parity obligations of the Company.

As at 31 December 2015, the Company has perpetual securities with a nominal principal amount of S\$150,000,000 (equivalent to US\$117,380,000) issued in 2014. The securities are perpetual, subordinated and the distribution interest of 7.0% per annum may be deferred at the sole discretion of the Company.

S\$3,000,000 (equivalent to US\$2,363,000) of redeemed perpetual securities issued in 2012, was redeemed and cancelled in 2014. In 2015, the remaining S\$122,000,000 (equivalent to US\$86,312,000) in aggregate principal amount of perpetual securities was redeemed and cancelled by the Company. The securities were perpetual, subordinated and the distribution interest of 7.8% per annum may be deferred at the sole discretion of the Company.

These perpetual securities are classified as equity instruments and recorded in equity in the consolidated statement of financial position. Transaction costs incurred in connection with the issuance of perpetual securities amounted to US\$881,000 (2014: US\$2,916,000).

As at 31 December 2015, the Group has accrued perpetual securities distribution of approximately US\$12,520,000 (2014: US\$8,627,000).

## 14 Redeemable exchangeable preference shares

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>
At 1 January and 31 December	23,464	23,464

In 2013, 300 redeemable exchangeable preference shares (“REPS”) were issued by a subsidiary of the Company (“Subsidiary”) at an issue price of S\$100,000 (equivalent to US\$78,388.34) per share (“Issue Price”). All issued shares are fully paid. The main terms and conditions of the agreement are as follows:

- (a) The REPS are convertible into certain number of ordinary shares in the share capital of the Company based on the exchange price of S\$1.8214 (“Exchange Price”). The conversion ratio will be subject to the usual anti-dilution adjustments.
- (b) The holders of REPS shall have the right to convert:
  - (i) the first 50% of their holdings of REPS into Exchange Shares at the Exchange Price at any time starting from the first anniversary of the date of issue of REPS (“Issue Date”) and up to one business day before the third anniversary of the Issue Date (“Maturity Date”); and
  - (ii) the remaining 50% of their holdings of REPS into Exchange Shares at any time starting from the second anniversary of the Issue Date and up to one business day before the Maturity Date.



- (c) Save as otherwise provided herein under the clause entitled "Distribution Preference Deferral" and subject to the Companies Act (Chapter 50) of Singapore, the Preference Shares shall be entitled to:
- (i) an annual dividend equal to 5% of the Issue Price (the "Distribution Preference") in respect of the outstanding REPS as at the Maturity Date, with such Distribution Preference payable cumulatively on the Maturity Date; and
  - (ii) a one-off dividend equal to 3% of the Issue Price (the "One-Time Dividend") in respect of the REPS that are exchanged into Exchange Shares before the Maturity Date, with such One-Time Dividend payable no later than 5 business days after the date of exchange of the REPS into Exchange Shares,

(such date of payment of the Distribution Preference or the One-Time Dividend by the Subsidiary, a "Distribution Payment Date").

- (d) The Group may, at its sole discretion, elect to defer (in whole or in part) the payment of any Distribution Preference and/or One-Time Dividend which is otherwise scheduled to be paid on a Distribution Payment Date to a date no later than the date on which the Group pays a discretionary dividend, distribution or other payment (other than in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants) for the financial year in which the relevant Distribution Payment Date falls within.

The Group has no obligation to pay any dividend on any Distribution Payment Date if it validly elects not to do so.

- (e) Each holder of REPS shall have the right to exchange all of its holdings of REPS into Exchange Shares upon the occurrence of any of the following events prior to the Maturity Date:
- (i) a merger or consolidation of the Subsidiary with or into another entity (except a merger or consolidation in which the Group continues to hold at least 50% of the voting power of the capital of the surviving or acquiring entity);
  - (ii) a change in control in which in excess of 50% of the outstanding voting power of the Subsidiary is transferred;
  - (iii) the Subsidiary is unable to pay its debts as they fall due or is insolvent; or
  - (iv) the Subsidiary is subject to a liquidation or winding up action (whether voluntary or otherwise), or an administrator or receiver has been appointed over any of the assets of the Subsidiary, or if any of its material assets have been seized by a court order.

Such number of Exchange Shares is to be determined in accordance with the exchange formula.

- (f) Within five business days immediately after the Maturity Date, the Subsidiary has the option to redeem (upon which the Company shall guarantee) any amount of outstanding REPS not exchanged by the Holders as at the Maturity Date at a redemption price per REPS equal to the Issue Price in cash.

In the event that the Subsidiary does not exercise the aforementioned redemption option, all outstanding REPS as at the Maturity Date shall be automatically exchanged into Exchange Shares at the Exchange Price. For the avoidance of doubt, the Holders shall be entitled to the Distribution Preference on the outstanding Preference Shares as at the Maturity Date.

In 2015 and 2014, no REPS in Subsidiary was exchanged by the holders for shares in the Company.

## 15 Reserves

The reserves of the Group and the Company comprise the following balances:

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Treasury shares	(1,480)	(102)	(1,480)	(102)
Foreign currency translation reserve	(29,333)	(20,218)	–	–
Hedging reserve	(1,504)	(1,098)	(1,429)	(872)
Statutory reserve	(6)	(6)	(6)	(6)
	<u>(32,323)</u>	<u>(21,424)</u>	<u>(2,915)</u>	<u>(980)</u>

### *Treasury shares*

Treasury shares comprise the cost of the Company's shares held by the Group. In 2015, pursuant to the Share Buyback Mandate approved at the Annual General Meeting on 22 April 2015, the Company repurchased a total of 2,500,000 ordinary shares during the third quarter of 2015. The shares were repurchased by way of market acquisitions at prices ranging from S\$0.545 to S\$0.9125 per share and the total consideration paid including transaction costs was S\$1,892,000 (equivalent to US\$1,378,000).

As at 31 December 2015, the Group held 3,184,000 (2014: 684,000) of the Company's shares. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

### *Foreign currency translation reserve*

The foreign currency translation reserve comprises:

- (a) foreign exchange differences arising from the translation of the financial statements of subsidiaries whose functional currencies are different from the functional currency of the Company; and
- (b) the exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

### *Hedging reserve*

The hedging reserve comprises the effective portion of the cumulative change (net of taxes) in the fair value of cash flow hedging instruments related to hedged transactions that have not yet affected profit or loss.

### **Statutory reserve**

The statutory reserve comprises the difference between the fair value and the cost of treasury shares issued to certain employees pursuant to the Employee Share Plan (see note 19 (c)).

### **Dividends**

There were no dividends proposed in respect of the financial year ended 31 December 2015 (2014: a final (one-tier) dividend of 0.10 Singapore cents per share, amounting to net dividend of US\$1,168,000 (equivalent to S\$1,578,000)).

## **16 Other payables**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Non-current</b>				
Other payables	15,000	15,000	–	–
Deposits from a supplier	2,000	2,000	–	–
Deposits from a customer	17,900	15,355	–	–
Interest rate swaps used for hedging	1,054	1,098	979	872
Non-trade amounts due to subsidiaries	–	–	89,206	20,726
	<u>35,954</u>	<u>33,453</u>	<u>90,185</u>	<u>21,598</u>
<b>Current</b>				
Payables to other suppliers	500	500	500	500
Downpayments and advances from customers	18,699	21,033	1,200	–
Deferred revenue	4,414	1,572	–	460
Non-trade amounts due to:				
- joint ventures	2,921	5,646	–	–
- subsidiaries	–	–	77,496	99,399
Accrued interest payable	6,552	7,472	5,111	6,124
Accrued expenses	9,996	14,516	8,397	13,134
Employee benefits	119	123	55	61
Other payables	6,890	10,870	1,137	862
	<u>50,091</u>	<u>61,732</u>	<u>93,896</u>	<u>120,540</u>
<b>Total</b>	<u>86,045</u>	<u>95,185</u>	<u>184,081</u>	<u>142,138</u>

At 31 December 2015, the Group held interest rate swaps with a total notional amount of US\$202,500,000 (2014: US\$202,500,000). The Group has designated these interest rate swaps as cash flow hedges to provide fixed rate funding for a term of between 1 to 2 years (2014: 2 to 3 years).

Non-current non-trade amounts due to subsidiaries are unsecured, interest-free and repayable in 2017 (2014: repayable in 2016).

Current non-trade amounts due to subsidiaries and joint ventures are unsecured, interest-free and repayable on demand.

## 17 Notes payable

	Maturity	Group		Company	
		2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
SGD 60 million <sup>(1)</sup>	August 2018	41,730	45,034	41,730	45,034
SGD 50 million <sup>(2)</sup>	January 2019	35,201	37,626	35,201	37,626
SGD 110 million <sup>(3)</sup>	May 2019	77,529	82,333	77,529	82,333
SGD 55 million <sup>(4)</sup>	March 2020	38,651	41,318	38,651	41,318
SGD 150 million <sup>(5)</sup>	June 2021	102,376	109,221	102,376	109,221
SGD 120 million <sup>(6)</sup>	August 2020	83,204	–	83,204	–
		<u>378,691</u>	<u>315,532</u>	<u>378,691</u>	<u>315,532</u>

<sup>(1)</sup> The notes bear fixed interest rate of 4.60% (2014: 4.60%) per annum payable semi-annually, with fair value of approximately US\$38,287,000 (2014: US\$45,474,000) based on quoted market prices.

<sup>(2)</sup> The notes bear fixed interest rate of 4.85% (2014: 4.85%) per annum payable semi-annually, with fair value of approximately US\$31,722,000 (2014: US\$37,691,000) based on quoted market prices.

<sup>(3)</sup> The notes bear fixed interest rate of 4.70% (2014: 4.70%) per annum payable semi-annually, with fair value of approximately US\$71,122,000 (2014: US\$82,697,000) based on quoted market prices.

<sup>(4)</sup> The notes bear fixed interest rate of 5.10% (2014: 5.10%) per annum payable semi-annually, with fair value of approximately US\$35,430,000 (2014: US\$41,177,000) based on quoted market prices.

<sup>(5)</sup> The notes bear fixed interest rate of 4.875% (2014: 4.875%) per annum payable semi-annually, with fair value of approximately US\$103,621,000 (2014: US\$111,539,000) based on quoted market prices.

<sup>(6)</sup> The notes bear fixed interest rate of 3.65% (2014: Nil) per annum payable semi-annually, with fair value of approximately US\$84,909,000 (2014: Nil) based on quoted market prices.

The above notes are listed on the Main Board of the Singapore Exchange Securities Trading Limited and the full carrying amount of the notes payable is classified as non-current.

## 18 Financial liabilities

	Group		Company	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
<b>Non-current</b>				
Unsecured bank loans	12,659	–	12,659	–
Secured bank loans	834,374	884,750	42,436	–
Finance lease liabilities	48	121	48	121
Financial guarantees	4,020	7,349	82,169	103,797
	851,101	892,220	137,312	103,918
<b>Current</b>				
Secured bank loans	265,303	247,893	–	–
Unsecured bank loans	108,091	39,750	108,091	39,750
Finance lease liabilities	65	70	65	70
Financial guarantees	1,795	579	27,533	30,237
	375,254	288,292	135,689	70,057
<b>Total financial liabilities</b>	1,226,355	1,180,512	273,001	173,975

### *Secured bank loans*

All the bank loans were secured by corporate guarantees from the Company, first legal charge on the Group's vessels, legal assignment of the rental proceeds from the Group's vessels, assignment of insurances in respect of vessels in bank's favour and all monies standing to the credit of the Group's receiving operating account in respect of the vessels maintained by the Group with the bank.

The bank loans are secured on vessels, rigs and assets under construction with a carrying amount of US\$2,176,831,000 (2014: US\$1,936,425,000).

### *Terms and debt repayment schedule*

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate %	Year of maturity	Carrying amount	
			2015 US\$'000	2014 US\$'000
<b>Group</b>				
US\$ secured floating rate loans	2.42 – 3.42	2016 - 2021	1,057,241	1,132,643
S\$ secured floating rate loan	4.08	2017	42,436	–
US\$ unsecured floating rate loans	1.67 – 3.18	2016 - 2017	120,750	39,750
S\$ finance lease liabilities	2.20 – 2.28	2019	113	191
			1,220,540	1,172,584
<b>Company</b>				
S\$ secured floating rate loan	4.08	2017	42,436	–
US\$ unsecured floating rate loans	1.67 – 3.18	2016 - 2017	120,750	39,750
S\$ finance lease liabilities	2.20 – 2.28	2019	113	191
			163,299	39,941

## Finance lease liabilities

Finance lease liabilities are payable as follows:

	<-----2015----->			<-----2014----->		
	Principal US\$'000	Interest US\$'000	Future minimum lease payments US\$'000	Principal US\$'000	Interest US\$'000	Future minimum lease payments US\$'000
<b>Group and Company</b>						
Within 1 year	65	2	67	70	4	74
After 1 year but within 5 years	48	1	49	121	3	124
<b>Total</b>	<u>113</u>	<u>3</u>	<u>116</u>	<u>191</u>	<u>7</u>	<u>198</u>

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount US\$'000	Cash flows			
		Contractual cash flows US\$'000	Within 1 year US\$'000	Within 2 to 5 years US\$'000	After 5 years US\$'000
<b>Group</b>					
<b>2015</b>					
<b>Non-derivative financial liabilities</b>					
Secured bank loans	1,099,677	(1,181,629)	(305,298)	(866,442)	(9,889)
Unsecured bank loans	120,750	(123,753)	(110,847)	(12,906)	-
Notes payable	378,691	(460,564)	(17,870)	(334,004)	(108,690)
Finance lease liabilities	113	(116)	(67)	(49)	-
Financial guarantees	5,815	(96,707)	(28,803)	(60,250)	(7,654)
Trade payables	126,165	(126,165)	(126,165)	-	-
Other payables <sup>(1)</sup>	61,878	(61,878)	(26,978)	(34,900)	-
Liabilities relating to assets held for sale	42,658	(43,484)	(43,484)	-	-
	<u>1,835,747</u>	<u>(2,094,296)</u>	<u>(659,512)</u>	<u>(1,308,551)</u>	<u>(126,233)</u>
<b>Derivative financial liabilities</b>					
Interest rate swaps used for hedging	1,054	(1,293)	(1,125)	(168)	-
	<u>1,836,801</u>	<u>(2,095,589)</u>	<u>(660,637)</u>	<u>(1,308,719)</u>	<u>(126,233)</u>
<b>2014</b>					
<b>Non-derivative financial liabilities</b>					
Secured bank loans	1,132,643	(1,224,389)	(334,355)	(865,461)	(24,573)
Unsecured bank loans	39,750	(40,788)	(40,788)	-	-
Notes payable	315,532	(396,413)	(15,409)	(221,842)	(159,162)
Finance lease liabilities	191	(198)	(74)	(124)	-
Financial guarantees	7,928	(120,107)	(23,528)	(88,369)	(8,210)
Trade payables	69,886	(69,886)	(69,886)	-	-
Other payables <sup>(1)</sup>	71,482	(71,482)	(39,127)	(32,355)	-
	<u>1,637,412</u>	<u>(1,923,263)</u>	<u>(523,167)</u>	<u>(1,208,151)</u>	<u>(191,945)</u>

	Carrying amount US\$'000	Cash flows			After 5 years US\$'000
		Contractual cash flows US\$'000	Within 1 year US\$'000	Within 2 to 5 years US\$'000	
<b>Group</b>					
<b>2014</b>					
<b>Derivative financial liabilities</b>					
Interest rate swaps used for hedging	1,098	(1,358)	(1,804)	446	–
	<u>1,638,510</u>	<u>(1,924,621)</u>	<u>(524,971)</u>	<u>(1,207,705)</u>	<u>(191,945)</u>
<b>Company</b>					
<b>2015</b>					
<b>Non-derivative financial liabilities</b>					
Secured bank loans	42,436	(44,345)	(1,760)	(42,585)	–
Unsecured bank loans	120,750	(123,753)	(110,847)	(12,906)	–
Notes payable	378,691	(460,564)	(17,870)	(334,004)	(108,690)
Finance lease liabilities	113	(116)	(67)	(49)	–
Financial guarantees	109,702	(1,223,991)	(332,341)	(884,107)	(17,543)
Trade payables	40	(40)	(40)	–	–
Other payables <sup>(1)</sup>	181,902	(181,902)	(92,696)	(89,206)	–
	<u>833,634</u>	<u>(2,034,711)</u>	<u>(555,621)</u>	<u>(1,362,857)</u>	<u>(126,233)</u>
<b>Derivative financial liabilities</b>					
Interest rate swaps used for hedging	979	(1,218)	(1,050)	(168)	–
	<u>834,613</u>	<u>(2,035,929)</u>	<u>(556,671)</u>	<u>(1,363,025)</u>	<u>(126,233)</u>
<b>2014</b>					
<b>Non-derivative financial liabilities</b>					
Unsecured bank loans	39,750	(40,788)	(40,788)	–	–
Notes payable	315,532	(396,413)	(15,409)	(221,842)	(159,162)
Finance lease liabilities	191	(198)	(74)	(124)	–
Financial guarantees	134,034	(1,344,496)	(357,883)	(953,830)	(32,783)
Trade payables	40	(40)	(40)	–	–
Other payables <sup>(1)</sup>	140,806	(140,806)	(120,080)	(20,726)	–
	<u>630,353</u>	<u>(1,922,741)</u>	<u>(534,274)</u>	<u>(1,196,522)</u>	<u>(191,945)</u>
<b>Derivative financial liabilities</b>					
Interest rate swaps used for hedging	872	(1,133)	(1,592)	459	–
	<u>631,225</u>	<u>(1,923,874)</u>	<u>(535,866)</u>	<u>(1,196,063)</u>	<u>(191,945)</u>

<sup>(1)</sup> Excludes downpayments and advances from customers, interest rate swaps used for hedging and deferred revenue.

## 19 Deferred tax liabilities

The deferred tax liabilities are attributable to plant and equipment of the Group. The movement in deferred tax liabilities of the Group is as follows:

	<b>Plant and equipment US\$'000</b>
At 31 December 2014 and 1 January 2015	–
Recognised in profit or loss (note 25)	449
At 31 December 2015	449

## 20 Trade payables

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Trade amounts due to:				
- associates	485	475	–	–
- joint ventures	18,830	–	–	–
- third parties	106,850	69,411	40	40
	126,165	69,886	40	40

## 21 Share-based payments

At 31 December 2015, the Group has the following share-based payment arrangements:

### (a) *Ezion Employee Share Option Scheme (equity-settled)*

The Ezion Employee Share Option Scheme (the “Scheme”) was approved and adopted by its members at an Extraordinary General Meeting held on 23 November 2009. The Scheme is administered by the Company’s Remuneration Committee. All Directors and Employees of the Group shall be eligible to participate in the Scheme.

Other information regarding the Scheme is set out below:

#### Option granted on 11 October 2011 (“Grant Date 1”)

- The exercise price of each option is fixed at S\$0.288.
- The share option shall be exercised, in whole or in part, in accordance with the following schedule from 11 October 2012 to 11 October 2021:
  - i. 20% of the options shall vest after the end of first anniversary of Grant Date 1;
  - ii. 50% of the options shall vest after 31 March 2013; and
  - iii. 30% of the options shall vest after 31 March 2014.
- All options are settled by physical delivery of shares.



- The options granted expire after 10 years or upon cessation of the employment of employees.
- The options include 1,400,000 share options granted to each of the executive directors, Chew Thiam Keng and Captain Larry Glenn Johnson; and 100,000 share options granted to each of the non-executive directors, Lim Thean Ee, Tan Woon Hum and Dr. Wang Kai Yuen.
- With effect from 7 November 2014, Captain Larry Glenn Johnson resigned as an executive director of the Company.

*Option granted on 7 June 2012 (“Grant Date 2”)*

- The exercise price of each option is fixed at S\$0.514.
- The share option shall be exercised, in whole or in part, in accordance with the following schedule from 7 June 2013 to 7 June 2022:
  - i. 30% of the options shall vest after the end of first anniversary of Grant Date 2;
  - ii. 30% of the options shall vest after the end of second anniversary of Grant Date 2; and
  - iii. 40% of the options shall vest after the end of third anniversary of Grant Date 2.
- All options are settled by physical delivery of shares.
- The options granted expire after 10 years or upon cessation of the employment of employees.
- The options include 700,000 share options granted to each of the executive directors, Chew Thiam Keng and Captain Larry Glenn Johnson; and 100,000 share options granted to each of the directors, Lim Thean Ee, Tan Woon Hum, Dr. Wang Kai Yuen and Lee Kian Soo.
- With effect from 5 January 2016, Lee Kian Soo resigned as a director of the Company.

*Option granted on 21 January 2013 (“Grant Date 3”)*

- The exercise price of each option is fixed at S\$1.083.
- The share option shall be exercised, in whole or in part, in accordance with the following schedule from 21 January 2015 to 21 January 2023:
  - i. 30% of the options shall vest after the end of second anniversary of Grant Date 3;
  - ii. 30% of the options shall vest after the end of third anniversary of Grant Date 3; and
  - iii. 40% of the options shall vest after the end of fourth anniversary of Grant Date 3.
- All options are settled by physical delivery of shares.

- The options granted expire after 10 years or upon cessation of the employment of employees.
- The options include 700,000 share options granted to each of the executive directors, Chew Thiam Keng and Captain Larry Glenn Johnson; and 100,000 share options granted to each of the directors, Lim Thean Ee, Tan Woon Hum, Dr. Wang Kai Yuen and Lee Kian Soo.

*Option granted on 7 March 2014 (“Grant Date 4”)*

- The exercise price of each option is fixed at S\$1.567.
- The share option shall be exercised, in whole or in part, in accordance with the following schedule from 7 March 2016 to 7 March 2024:
  - i. 30% of the options shall vest after the end of second anniversary of Grant Date 4;
  - ii. 30% of the options shall vest after the end of third anniversary of Grant Date 4; and
  - iii. 40% of the options shall vest after the end of fourth anniversary of Grant Date 4.
- All options are settled by physical delivery of shares.
- The options granted expire after 10 years or upon cessation of the employment of employees.
- The options include 700,000 share options granted to each of the executive directors, Chew Thiam Keng and Captain Larry Glenn Johnson; and 100,000 share options granted to each of the directors, Lim Thean Ee, Tan Woon Hum, Dr. Wang Kai Yuen and Lee Kian Soo.

*Option granted on 16 January 2015 (“Grant Date 5”)*

- The exercise price of each option is fixed at S\$1.011.
- The share option shall be exercised, in whole or in part, in accordance with the following schedule from 16 January 2017 to 16 January 2025:
  - i. 30% of the options shall vest after the end of second anniversary of Grant Date 5;
  - ii. 30% of the options shall vest after the end of third anniversary of Grant Date 5; and
  - iii. 40% of the options shall vest after the end of fourth anniversary of Grant Date 5.
- All options are settled by physical delivery of shares.
- The options granted expire after 10 years or upon cessation of the employment of employees.
- The options include 1,400,000 share options granted to the executive director, Chew Thiam Keng; and 200,000 share options granted to each of the directors, Lim Thean Ee, Tan Woon Hum, Dr. Wang Kai Yuen and Lee Kian Soo.

At the end of the financial year, details of the options granted under the Scheme on unissued ordinary shares of the Company are as follows:

Date of grant of options	Exercise prices per share	Options outstanding at 1 January 2015 '000	Options granted '000	Options exercised '000	Options cancelled '000	Options outstanding at 31 December 2015 '000	Number of option holders at 31 December 2015	Exercise period
11/10/2011	S\$0.288	2,304	–	(288)	–	2,016	1	11/10/2012 to 11/10/2021
7/6/2012	S\$0.514	3,263	–	(1,622)	–	1,641	11	7/6/2013 to 7/6/2022
21/1/2013	S\$1.083	7,085	–	(43)	–	7,042	49	21/1/2015 to 21/1/2023
7/3/2014	S\$1.567	7,110	–	–	(7,110)	–	–	7/3/2016 to 7/3/2024
16/1/2015	S\$1.011	–	11,900	–	–	11,900	100	16/1/2017 to 16/1/2025
		<u>19,762</u>	<u>11,900</u>	<u>(1,953)</u>	<u>(7,110)</u>	<u>22,599</u>		

*Fair value of share options and assumptions*

The grant-date fair value of share options granted was measured based on the Black-Scholes option-pricing model formula as the fair value of services performed by employees and directors cannot be measured reliably. Expected volatility is estimated by considering historic average share price volatility. Option lives are based on the assumption that each tranche of share options will be exercised once the vesting period is over.

Options granted at 11 October 2011

	<b>At 11 October 2011</b>		
	<b>Tranche A</b>	<b>Tranche B</b>	<b>Tranche C</b>
Fair value (S\$)	0.077	0.091	0.159
Share price (S\$)	0.45	0.45	0.45
Exercise price (S\$)	0.414	0.414	0.414
Expected volatility	32%	33%	52%
Expected dividends (Singapore cents)	–*	–*	–*
Risk-free interest rate	<u>0.20%</u>	<u>0.21%</u>	<u>0.35%</u>

\* - denotes less than 0.01 Singapore cents

Options granted at 7 June 2012

	<b>At 7 June 2012</b>		
	<b>Tranche A</b>	<b>Tranche B</b>	<b>Tranche C</b>
Fair value (S\$)	0.16	0.174	0.224
Share price (S\$)	0.78	0.78	0.78
Exercise price (S\$)	0.74	0.74	0.74
Expected volatility	46.11%	35.88%	39.13%
Expected dividends (Singapore cents)	–*	–*	–*
Risk-free interest rate	<u>0.25%</u>	<u>0.23%</u>	<u>0.33%</u>

\* - denotes less than 0.01 Singapore cents

Options granted at 21 January 2013

	<b>At 21 January 2013</b>		
	<b>Tranche A</b>	<b>Tranche B</b>	<b>Tranche C</b>
Fair value (S\$)	0.473	0.530	0.758
Share price (S\$)	1.76	1.76	1.76
Exercise price (S\$)	1.56	1.56	1.56
Expected volatility	39.06%	36.58%	51.40%
Expected dividends (Singapore cents)	—*	—*	—*
Risk-free interest rate	0.24%	0.27%	0.30%

\* - denotes less than 0.01 Singapore cents

Options granted at 7 March 2014

	<b>At 7 March 2014</b>		
	<b>Tranche A</b>	<b>Tranche B</b>	<b>Tranche C</b>
Fair value (S\$)	0.543	0.674	0.747
Share price (S\$)	2.20	2.20	2.20
Exercise price (S\$)	1.88	1.88	1.88
Expected volatility	30.65%	35.17%	33.81%
Expected dividends (Singapore cents)	—*	—*	—*
Risk-free interest rate	0.34%	0.46%	0.87%

\* - denotes less than 0.01 Singapore cents

Options granted at 16 January 2015

	<b>At 16 January 2015</b>		
	<b>Tranche A</b>	<b>Tranche B</b>	<b>Tranche C</b>
Fair value (S\$)	0.267	0.337	0.396
Share price (S\$)	1.155	1.155	1.155
Exercise price (S\$)	1.011	1.011	1.011
Expected volatility	28.75%	32.57%	34.62%
Expected dividends (Singapore cents)	—*	—*	—*
Risk-free interest rate	0.54%	0.73%	1.02%

\* - denotes less than 0.01 Singapore cents

There is no market condition associated with the share option grants.

**(b) Employee Share Plan (equity-settled)**

The Employee Share Plan (the “Plan”) was approved and adopted by members of the Company at the Extraordinary General Meeting held on 29 April 2008. The Plan is administered by a committee comprising the directors of the Company.

In 2009, 230,000 treasury shares have been awarded to certain employees pursuant to the Plan. No treasury shares had been awarded to employees under the Plan subsequent to 2009.

## Disclosure of share-based payments arrangements

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price per share 2015 S\$	Number of options 2015 '000	Weighted average exercise price per share 2014 S\$	Number of options 2014 '000
Outstanding at 1 January	1.07	19,762	0.71	21,901
Granted during the year	1.01	11,900	1.39	10,322
Exercised during the year	0.49	(1,953)	0.41	(10,210)
Cancelled during the year	1.57	(7,110)	1.16	(2,251)
Outstanding at 31 December	0.93	<u>22,599</u>	1.07	<u>19,762</u>
Exercisable at 31 December	0.64	<u>5,740</u>	0.35	<u>3,148</u>

The options outstanding at 31 December 2015 have an exercise price in the range of S\$0.29 to S\$1.08 (2014: S\$0.29 to S\$1.57) and the weighted average contractual life of 7.1 years (2014: 7.9 years).

## Employee expenses

	Group	
	2015 US\$'000	2014 US\$'000
Ezion Employee Share Option Scheme	2,121	2,050
Total expense recognised as employee costs	<u>2,121</u>	<u>2,050</u>

## 22 Revenue

	Group	
	2015 US\$'000	2014 US\$'000
Liftboats and rigs' charter income	310,194	298,867
Offshore logistic support vessels' charter income	40,953	87,645
Total revenue	<u>351,147</u>	<u>386,512</u>

## 23 Net finance costs

	Group	
	2015 US\$'000	2014 US\$'000
Interest income:		
- banks	2,466	1,523
- related corporations	1,828	3,659
- others	145	619
<b>Finance income</b>	<u>4,439</u>	<u>5,801</u>

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Interest expense:		
- other banks	(26,412)	(22,017)
- notes payable	–	(471)
<b>Finance costs</b>	(26,412)	(22,488)
Net finance costs recognised in profit or loss	(21,973)	(16,687)

## 24 Profit before income tax

The following items have been included in arriving at profit before income tax:

		<b>Group</b>	
	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>US\$'000</b>	<b>US\$'000</b>
Foreign exchange gain		(5,003)	(1,147)
Gain on disposal of:			
- plant and equipment		–	(870)
- subsidiary	27	–	(34,904)
Gain from change in ownership interest in associates	7	(8,882)	–
Net impairment losses on:			
- plant and equipment	4	37,900	–
- trade receivables	9	43,228	209
Audit fees paid to auditors of the Company		359	294
Non-audit fees paid to auditors of the Company		24	22
Operating lease expense		31,671	18,943
Staff costs		10,936	17,624
Contributions to defined contribution plans, included in staff costs		769	808
Equity-settled share-based payment transactions, included in staff costs		2,121	2,050
		2,121	2,050

Staff costs include key management personnel compensation and key executives compensation as disclosed in note 30.

## 25 Income tax expense

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Current tax expense</b>		
Current year	198	855
Overprovision in respect of prior years	(181)	(24)
Foreign tax expense	1,115	1,198
	1,132	2,029

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	449	–
Total tax expense	1,581	2,029
<b>Reconciliation of effective tax rate</b>		
Profit before income tax	38,365	225,763
Share of results of joint ventures and associates (net of tax)	(23,448)	(28,042)
Profit before income tax excluding share of results of joint ventures and associates	14,917	197,721
Tax calculated using Singapore tax rate of 17% (2014: 17%)	2,536	33,613
Effect of tax rates in foreign jurisdictions	(3,232)	(3,204)
Income not subject to tax	(20,093)	(9,735)
Net tax exempt income under Section 13A of Income Tax Act	(12,986)	(21,747)
Non-deductible expenses	33,267	2,076
Foreign tax expense	1,115	1,198
Overprovision in respect of prior years	(181)	(24)
Current year losses for which no deferred tax asset was recognised	928	–
Others	227	(148)
	1,581	2,029

For the financial year ended 31 December 2015 and 2014, the effective applicable tax rate is lower than 17% as no provision is made for taxation for certain income in view of the exempt profits earned by the Group under Section 13A of the Income Tax Act during the year.

The Group has unrecognised deferred tax assets in respect of tax losses of US\$5,459,000 (2014: Nil) at the balance sheet date. Deferred tax assets have not been recognised because the Group does not currently have sufficient objective information to determine whether future taxable profits is available for offsetting. The utilised tax losses which are available to set-off against future taxable income, are subject to agreement by the tax authorities and compliance with tax regulations prevailing in the respective countries.

## 26 Earnings per share

### Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2015 was based on:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Profit attributable to ordinary shareholders of the Company	36,784	223,658
Less:		
Accrued perpetual securities distributions	(12,520)	(8,627)
Profit attributable to ordinary shareholders after adjustments of accrued perpetual securities distributions	24,264	215,031

**Weighted average number of ordinary shares**

	<b>2015</b>	<b>2014</b>
	<b>'000</b>	<b>'000</b>
Issued ordinary shares at 1 January	1,578,304	1,184,830
Effect of issue of new ordinary shares	–	162,159
Effect of exercise of options	129	5,733
Weighted average number of ordinary shares at 31 December	1,578,433	1,352,722

**Diluted earnings per share**

The calculation of diluted earnings per share for the year ended 31 December 2015 was based on:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Profit attributable to ordinary shareholders of the Company (diluted)	36,784	223,658
Less:		
Accrued perpetual securities distributions	(12,520)	(8,627)
Profit attributable to ordinary shareholders after adjustments of accrued perpetual securities distributions (diluted)	24,264	215,031

**Weighted average number of ordinary shares (diluted)**

	<b>2015</b>	<b>2014</b>
	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares (basic)	1,578,433	1,352,722
Effect of share options in issue	3,657	10,827
Effect of issue of redeemable exchangeable preference shares	19,788	19,299
Weighted average number of ordinary shares at 31 December	1,601,878	1,382,848

The average market value of the Company's shares for purposes of calculating dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

## **27 Acquisition/divestment of subsidiary**

### **Acquisition of subsidiaries**

There were no subsidiaries acquired during the year ended 31 December 2015.



The list of subsidiaries acquired in the year ended 31 December 2014 is as follows:

Name of significant subsidiary	Date of acquisition	Equity interest acquired %
Kenai Offshore Ventures, LLC	January 2014	50
Teras Conquest 4 Pte Ltd	January 2014	100
Teras Conquest 1 Pte Ltd	May 2014	51
Atlantic Labrador Pte Ltd	October 2014	50
Teras Fortress 2 Pte Ltd	December 2014	100
Teras Conquest 7 Pte Ltd	December 2014	100

From the date of acquisition to 31 December 2014, the above-mentioned subsidiaries acquired contributed net losses of US\$3,677,000 to the Group's results for the year, before accounting for financial costs attributable to the acquisitions. If the acquisitions have occurred on 1 January 2014, management estimated that consolidated revenue would have been approximately US\$403,249,000, and consolidated profit for the year would have been approximately US\$229,752,000. In determining these amounts, management assumed that the fair value adjustments, determined provisionally, arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2014.

*Effect of acquisitions*

The cash flow and the net assets of subsidiaries acquired during the year ended 31 December 2014 are provided below:

	Note	Recognised values on acquisition US\$'000
Property, plant and equipment	4	302,822 <sup>1</sup>
Trade and other receivables		92,009
Cash and cash equivalents		9,057
Secured bank loan		(167,740)
Trade and other payables		(32,826)
Provision for tax		(99)
Non-controlling interest, based on proportionate interest in the recognised amount of the assets and liabilities		6
		<hr/> 203,229
Amounts previously accounted for as joint ventures		(62,733)
Net identifiable assets and liabilities acquired		140,496
Assumption of shareholder's loans		(22,581)
Settlement of pre-existing relationships		(48,507)
Total purchase consideration		<hr/> 69,408
Less:		
Equity instruments issued		(32,570)
Settlement of amount owing by a joint venturer		(9,770)
Cash and cash equivalents acquired		(9,057)
Net cash outflow on acquisition of subsidiary		<hr/> <hr/> 18,011

<sup>1</sup> All fair value adjustments arising from the acquisitions have been accounted for in the property, plant and equipment.

### Disposal of subsidiaries

There were no subsidiaries disposed during the year ended 31 December 2015.

The list of subsidiaries disposed during the year ended 31 December 2014 is as follows:

Name of significant subsidiary	Date of disposal	Equity interest disposed %
Ezion Offshore Logistics Hub Pte Ltd	November 2014	100
Teras Australia Pty Ltd	November 2014	90
Ezion Offshore Logistics Hub (Tiwi) Pty Ltd	November 2014	100
Ezion Offshore Logistics Hub (Exmouth) Pty Ltd	November 2014	100
Indigenous Marine Logistics Pty Ltd	November 2014	100

### *Effect of disposals*

The cash flow and the net assets of subsidiaries disposed during the year ended 31 December 2014 are provided below:

	Note	Recognised values on disposal US\$'000
Property, plant and equipment	4	37,776
Associate		82
Other assets		1,784
Trade and other receivables		7,894
Cash and cash equivalents		341
Secured bank loan		(28,966)
Trade and other payables		(33,352)
Provision for tax		(24)
Non-controlling interests		(51)
Net liabilities disposed		(14,516)
Realisation of foreign currency translation reserve		(782)
Retained interest in investment		8,979
Gain on disposal	24	34,904
Transaction related costs		7,293
Sale consideration		35,878
Less:		
Equity instruments received		(24,923)
Net cash and cash equivalents disposed		(341)
Net cash inflow on disposal of subsidiaries		10,614

The disposed subsidiaries previously contributed net loss of US\$4,468,000 from 1 January 2014 to the respective dates of disposal.

## 28 Operating segments

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's key management reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- (a) Production and maintenance support: engaged in the owning, chartering and management of rigs and vessels involved in the production and maintenance phase of the oil and gas industry.
- (b) Exploration and development support: engaged in the owning, chartering and management of rigs and vessels involved in the exploration and development phase of the oil and gas industry.
- (c) Others: assets or investments involved in renewable energy and other oil and gas related industry.

The accounting policies of the reportable segments are the same as described in note 3(o).

In prior years, the operating segments were segregated into "Offshore logistic support vessels' services" and "Liftboats and jack-up rigs' services". The comparative segment results have been restated accordingly.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's key management. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

### *Business segments*

	<b>Production and maintenance support US\$'000</b>	<b>Exploration and development support US\$'000</b>	<b>Others US\$'000</b>	<b>Total operations US\$'000</b>
<b>Year ended 31 December 2015</b>				
External revenue	312,492	38,219	436	351,147
Inter-segment revenue	118,793	–	6,495	125,288
Total revenue for reportable segments	431,285	38,219	6,931	476,435
Elimination of inter-segment revenue				(125,288)
Consolidated revenue				351,147

	<b>Production and maintenance support US\$'000</b>	<b>Exploration and development support US\$'000</b>	<b>Others US\$'000</b>	<b>Total operations US\$'000</b>
<b>Year ended 31 December 2015</b>				
Reportable segment results				
from operating activities	26,103	55	436	26,594
Other income	11,307	–	13,929	25,236
Share of results of joint ventures and associates, net of tax	8,819	19,024	(4,395)	23,448
Finance income	4,439	–	–	4,439
Finance expense	(21,019)	(5,393)	–	(26,412)
Unallocated expenses				(14,940)
Profit before income tax				<u>38,365</u>
Income tax expense				(1,581)
Profit for the year				<u>36,784</u>
Reportable segment assets	2,354,330	323,976	–	2,678,306
Investment in joint ventures and associates	45,406	98,056	60,513	203,975
Unallocated assets				226,121
Total assets				<u>3,108,402</u>
Reportable segment liabilities	1,652,976	205,154	–	1,858,130
Unallocated liabilities				8,962
Total liabilities				<u>1,867,092</u>
Capital expenditure	402,120	30,666	–	432,786
Unallocated capital expenditure				187
Total capital expenditure				<u>432,973</u>
Other material non-cash items:				
Depreciation	103,659	30,865	–	134,524
Unallocated depreciation				349
Total depreciation				<u>134,873</u>
Net impairment losses on:				
- plant and equipment	37,900	–	–	37,900
- trade receivables	43,228	–	–	43,228

	<b>Production and maintenance support US\$'000</b>	<b>Exploration and development support US\$'000</b>	<b>Others US\$'000</b>	<b>Total operations US\$'000</b>
<b>Year ended 31 December 2014</b>				
External revenue	375,901	10,324	287	386,512
Inter-segment revenue	125,997	–	5,466	131,463
Total revenue for reportable segments	501,898	10,324	5,753	517,975
Elimination of inter-segment revenue				(131,463)
Consolidated revenue				<u>386,512</u>
Reportable segment results from operating activities	194,623	(8,119)	286	186,790
Other income	45,778	–	–	45,778
Share of results of joint ventures and associates, net of tax	3,548	19,087	5,407	28,042
Finance income	5,697	104	–	5,801
Finance expense	(17,201)	(5,287)	–	(22,488)
Unallocated expenses				(18,160)
Profit before income tax				225,763
Income tax expense				(2,029)
Profit for the year				<u>223,734</u>
Reportable segment assets	2,188,464	304,573	–	2,493,037
Investment in joint ventures and associates	37,826	68,993	66,095	172,914
Unallocated assets				315,020
Total assets				<u>2,980,971</u>
Reportable segment liabilities	1,409,583	230,867	–	1,640,450
Unallocated liabilities				27,900
Total liabilities				<u>1,668,350</u>
Capital expenditure	320,579	198,751	–	519,330
Unallocated capital expenditure				330
Total capital expenditure				<u>519,660</u>
Other material non-cash items:				
Depreciation	85,267	17,237	–	102,504
Unallocated depreciation				250
Total depreciation				<u>102,754</u>
Gain on disposal of:				
- plant and equipment	(870)	–	–	(870)
- subsidiaries	(34,904)	–	–	(34,904)
Net impairment losses on:				
- trade receivables	209	–	–	209

### ***Geographical segments***

The businesses of the Group are operated in five principal geographical areas, namely, Singapore, Australia, India, United Arab Emirates, rest of Asia, Europe and other countries. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location where assets are registered.

	<b>Revenue</b>		<b>Non-current assets<sup>(1)</sup></b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Singapore	31,547	24,801	1,376,929	1,369,511
Australia	20,419	56,187	7,555	9,056
India	44,475	21,896	–	–
United Arab Emirates	58,042	39,420	–	–
Rest of Asia	129,622	88,871	430,218	303,984
Europe	62,166	128,979	368,322	340,211
Other countries	4,876	26,358	101,093	112,818
	<u>351,147</u>	<u>386,512</u>	<u>2,284,117</u>	<u>2,135,580</u>

<sup>(1)</sup> Non-current assets presented consist of plant and equipment

### **Major customers**

During the financial year ended 31 December 2015, the Group had one (2014: two) customer in the Group's production and maintenance support segment that contributed 10% or more of the Group's total revenue. Revenue from the customer amounted to US\$40,286,000 (2014: US\$165,221,000) of the Group's total revenue.

## **29 Commitments**

### **(a) Capital commitments**

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Contracted but not provided for	<u>258,475</u>	<u>476,100</u>

**(b) Operating lease expense commitments (as lessee)**

At the reporting date, the Group have commitments for future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Within 1 year	26,912	23,584
After 1 year but within 5 years	56,560	78,334
	83,472	101,918

Operating lease expense commitments at the reporting date represents rentals payable by the Group for its vessel charters and office space. The leases from vessel charter and office rental are for a period ranging from 1 to 3 years from 1 January 2016 to 31 December 2019 (2014: 1 January 2015 to 31 December 2019).

Included in the above future minimum lease payments under non-cancellable operating leases are amounts payable to the Group's joint ventures and an affiliate within 1 year and after 1 year but within 5 years of US\$25,988,000 (2014: US\$22,730,000) and US\$55,633,000 (2014: US\$78,263,000) respectively.

**(c) Operating lease income commitments (as lessor)**

The Group charters out its vessels. At the reporting date, the total future minimum lease receivables under non-cancellable operating lease rentals are as follows:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Within 1 year	292,715	381,304
After 1 year but within 5 years	777,272	816,177
After 5 years	111,312	15,445
	1,181,299	1,212,926

Operating lease income commitments represents rentals receivable from customers on the Group's vessels charter. The lease terms are negotiated on fixed terms till expiry of the lease. Included in the above future minimum lease receivables under non-cancellable operating lease rentals are amounts arising from customers' options to extend their vessel charter within 1 year, after 1 year but within 5 years and after 5 years of US\$4,997,000 (2014: US\$23,429,000), US\$247,620,000 (2014: US\$227,789,000) and US\$101,588,000 (2014: US\$15,445,000) respectively.

## 30 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Other than disclosed elsewhere in the financial statements, the transactions with related parties are as follows:

### **Key management personnel compensation and key executives compensation**

Key management personnel compensation and key executives compensation comprised:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Short-term employee benefits	6,075	7,456
Share-based payments	1,009	1,147
	<hr/>	<hr/>

### **Other related party transactions**

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Transactions with companies in which a director has financial interest</b>		
Offshore logistic support vessels, liftboats and rigs' services costs paid and payable	–	275
	<hr/>	<hr/>
<b>Transactions with joint ventures</b>		
Interest income received and receivable	1,828	3,659
Offshore logistic support vessels, liftboats and rigs' services costs paid and payable	22,476	8,810
Management fee income from joint ventures	206	294
	<hr/>	<hr/>
<b>Transactions with associates</b>		
Offshore logistic support vessels, liftboats and rigs' services revenue received and receivable	17,978	–
Management fee income from associates	230	81
	<hr/>	<hr/>

## 31 Accounting estimates and judgments

Estimates and judgment are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.



Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is discussed as follows:

### **Impairment of plant and equipment**

The Group assesses the impairment of plant and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Extended periods of idle time;
- Inability to contract specific assets or groups of assets; and
- Significant adverse industry or economic trends.

The complexity of the estimation process and issues related to the assumptions, risks and uncertainties inherent in the application of the Group's accounting estimates in relation to plant and equipment affect the amounts reported in the financial statements, especially the estimates of the expected useful economic lives and the carrying values of those assets. If business conditions were different, or if different assumptions were used in the application of this and other accounting estimates, it is likely that materially different amounts could be reported in the Group's financial statements.

For the purposes of impairment assessment of vessels, each vessel is a separate CGU. A total of 70 (2014: 70) CGUs have been identified. Management assessed the recoverable amounts of the vessels based on their value in use or fair value less costs to sell if any indicators of impairment existed.

The recoverable amounts of the CGUs were determined based on value in use calculations (2014: valuation reports issued by independent professional valuers).

Based on the above assessment, the Group recognised impairment losses relating to 8 CGUs of US\$9,446,000 and US\$28,454,000 for the vessels and rigs respectively (2014: Nil) (note 4).

### **Impairment of trade receivables**

Trade receivables are recorded at the invoiced amount and do not bear interest. The allowance for doubtful receivables is the Group's best estimate of the amount of probable credit losses in the Group's existing trade receivables.

Management uses judgment to determine the allowance for doubtful receivables which are supported by historical write-off, credit history of the customers and repayment records. The Group reviews its allowance for doubtful receivables monthly. Balances which are past due for more than 120 days are reviewed individually for collectability. Accounts balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Actual results could differ from estimates.

## **32 Financial risk management**

### *Overview*

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group's principal financial instruments comprise cash and cash equivalents and bank loans. The main purpose of these financial instruments is to finance the Group's operations. The other financial instruments such as trade and other payables are directly from its operations.

### *Credit risk*

The Group's maximum exposure to credit risk are carrying amounts of amounts due from joint ventures, other assets, trade receivables, and cash and cash equivalents.

The Group has a credit policy in place which establishes credit limits for customers and monitors their balances on an ongoing basis. Therefore, the Group does not expect to incur material credit losses. Cash and cash equivalents are placed with regulated financial institutions. Hence, minimal credit risk exists with respect to these assets.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The allowance account in respect of trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

The Group's top one (2014: two) most significant customer account for 13% (2014: 52%) of trade receivables due from third parties at 31 December 2015.

### ***Financial guarantees***

The credit risk represents the loss that would be recognised upon a default by the parties to which the guarantees were given on behalf of. To mitigate these risks, management continually monitors the risks and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of. Guarantees are only given to its subsidiaries and joint ventures.

Financial guarantees provided by the Company to its subsidiaries are eliminated in preparing the consolidated financial statements. Estimates of the Company's obligations arising from financial guarantee contracts may be affected by future events, which cannot be predicted with any certainty. The assumptions may well vary from actual experience so that the actual liability may vary considerably from the best estimates.

Financial guarantees comprise guarantees granted by the Company to banks in respect of banking facilities amounting to US\$1,249,070,000 (2014: US\$1,113,480,000).

### ***Liquidity risk***

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

As at 31 December 2015, the Group has undrawn banking facilities amounting to US\$47,399,000 (2014: US\$99,633,000).

### ***Market risk***

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

### ***Interest rate risk***

The Group's interest rate exposure relates primarily to its long-term debt obligations as they are subject to fluctuating interest rates that reset according to market rates change. Surplus funds are placed in fixed deposits accounts with regulated banks that interest rate varies according to market rates. The Group enters into and designates interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

At 31 December 2015, the Group has interest rate swaps with total notional contract amount of US\$202,500,000 (2014: US\$202,500,000) whereby the Group has agreed with counterparties to exchange, at specified intervals, the difference between floating rate and fixed rate interest amounts calculated by reference to the agreed notional principal amounts of the secured and unsecured term loans.

The net fair value of the above swaps at 31 December 2015 is US\$1,054,000 (2014: US\$1,098,000).

*Exposure to interest rate risk*

At the reporting date, the interest rate profile of the Group's interest-bearing financial interests, as reported to the management, was as follows:

**Variable rate instruments**

	<b>Group</b>	
	<b>Nominal amount</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Interest rate swaps	202,500	202,500
	<hr/>	<hr/>
	<b>Group</b>	
	<b>Carrying amount</b>	
	<b>2015</b>	<b>2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>
US\$ secured floating rate loans	(1,057,241)	(1,132,643)
S\$ secured floating rate loan	(42,436)	–
US\$ unsecured floating rate loans	(120,750)	(39,750)
Fixed deposits	139,262	165,083
	<hr/>	<hr/>
	<b>(1,081,165)</b>	<b>(1,007,310)</b>

*Sensitivity analysis*

For the variable rate financial assets and liabilities, a change of 100 basis point (“bp”) in interest rate at the reporting date would increase/(decrease) profit before tax and equity by the pre-tax amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	<b>Profit before tax</b>		<b>Equity</b>	
	<b>100 bp</b>	<b>100 bp</b>	<b>100 bp</b>	<b>100 bp</b>
	<b>Increase</b>	<b>Decrease</b>	<b>Increase</b>	<b>Decrease</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Group</b>				
<b>31 December 2015</b>				
Interest-bearing loans	(12,204)	12,204	–	–
Fixed deposits	1,393	(1,393)	–	–
Interest rate swaps	11	(11)	13	(13)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>31 December 2014</b>				
Interest-bearing loans	(11,724)	11,724	–	–
Fixed deposits	1,651	(1,651)	–	–
Interest rate swaps	11	(11)	14	(14)
	<hr/>	<hr/>	<hr/>	<hr/>

**Foreign currency risk**

The Group has exposures to foreign currency risks as a result of its operations in several countries. The currencies giving rise to this risk are primarily US dollar, Singapore dollar and Australian dollar.

In respect of other monetary assets and liabilities held in currencies other than the functional currencies of respective entities, the Group ensures that the net exposure is kept to an acceptable level by buying currencies at spot rates, where necessary, to address short term imbalances.

The Group's and the Company's exposures to foreign currencies are as follows:

	<b>US dollar</b> <b>US\$'000</b>	<b>Singapore</b> <b>dollar</b> <b>US\$'000</b>	<b>Australian</b> <b>dollar</b> <b>US\$'000</b>	<b>Others</b> <b>US\$'000</b>	<b>Total</b> <b>US\$'000</b>
<b>Group</b>					
<b>31 December 2015</b>					
Loan to associate	–	1,579	425	–	2,004
Trade receivables and other assets	–	4,040	2,429	107	6,576
Cash and cash equivalents	18	194,016	949	964	195,947
Trade and other payables	(221)	(28,594)	(3,170)	(1,627)	(33,612)
Financial liabilities	–	(42,549)	–	–	(42,549)
Notes payable	–	(378,691)	–	–	(378,691)
	<u>(203)</u>	<u>(250,199)</u>	<u>633</u>	<u>(556)</u>	<u>(250,325)</u>
<b>31 December 2014</b>					
Loan to associate	–	1,703	1,366	–	3,069
Trade receivables and other assets	18,821	3,026	1,237	360	23,444
Cash and cash equivalents	18	328,108	285	4,117	332,528
Trade and other payables	(126)	(26,047)	(1,508)	(723)	(28,404)
Financial liabilities	–	(191)	–	–	(191)
Notes payable	–	(315,532)	–	–	(315,532)
	<u>18,713</u>	<u>(8,933)</u>	<u>1,380</u>	<u>3,754</u>	<u>14,914</u>
<b>Company</b>					
<b>31 December 2015</b>					
Loans to subsidiaries		63,861	4,985	–	68,846
Loan to associate		1,579	425	–	2,004
Trade receivables and other assets		2,530	248	–	2,778
Cash and cash equivalents		185,337	2	–	185,339
Trade and other payables		(35,097)	(12)	(9)	(35,118)
Financial liabilities		(42,549)	–	(110)	(42,659)
Notes payable		(378,691)	–	–	(378,691)
		<u>(203,030)</u>	<u>5,648</u>	<u>(119)</u>	<u>(197,501)</u>

<b>Company</b>	<b>Singapore dollar US\$'000</b>	<b>Australian dollar US\$'000</b>	<b>Others US\$'000</b>	<b>Total US\$'000</b>
<b>31 December 2014</b>				
Loans to subsidiaries	68,232	5,599	–	73,831
Loan to associate	1,703	1,366	–	3,069
Trade receivables and other assets	325	–	–	325
Cash and cash equivalents	315,560	2	–	315,562
Trade and other payables	(42,435)	(882)	–	(43,317)
Financial liabilities	(191)	–	(460)	(651)
Notes payable	(315,532)	–	–	(315,532)
	<u>27,662</u>	<u>6,085</u>	<u>(460)</u>	<u>33,287</u>

*Exposure to currency risk - Sensitivity analysis*

The following table indicates the approximate change in the Group's profit before tax and equity in response to a 10% change in the foreign exchange rates to which the Group has significant exposure at the reporting date. The sensitivity analysis includes balances between group entities where the denomination of the balances is in a currency other than the functional currencies of the lender or the borrower.

A 10% strengthening of US dollar against the following currencies at the reporting date would increase/(decrease) equity and profit before tax by the pre-tax amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	<b>Group</b>		<b>Company</b>	
	<b>Equity US\$'000</b>	<b>Profit before tax US\$'000</b>	<b>Equity US\$'000</b>	<b>Profit before tax US\$'000</b>
<b>31 December 2015</b>				
US dollar	–	(20)	–	–
Singapore dollar	–	25,020	–	20,303
Australian dollar	–	(63)	–	(565)
Others	–	56	–	12
		<u>          </u>		<u>          </u>
<b>31 December 2014</b>				
US dollar	–	1,871	–	–
Singapore dollar	–	893	–	(2,766)
Australian dollar	–	(138)	–	(609)
Others	–	(375)	–	46
		<u>          </u>		<u>          </u>

A 10% weakening of US dollar against the above currencies would have had the equal but opposite effect on the above currencies to the pre-tax amounts shown above, on the basis that all other variables remain constant.

***Fair values versus carrying amounts***

*Non-derivative financial assets and liabilities*

The carrying amounts of the Group and the Company's financial instruments other than interest rate swaps used for hedging are carried at cost or amortised cost are not materially different from their fair values as at 31 December 2015 and 31 December 2014 due to their short-term nature and immaterial effects of discounting.

**Financial instruments by category**

Set out below is a comparison by category of carrying amounts of all the Group and Company's financial instruments that are carried in the financial statements:

	Note	Fair value- hedging instruments US\$'000	Loans and receivables US\$'000	Other financial liabilities within scope of FRS 39 US\$'000	Other financial liabilities outside scope of FRS 39 US\$'000	Total carrying amount US\$'000	Fair value US\$'000
<b>Group</b>							
<b>31 December 2015</b>							
<b>Financial assets not measured at fair value</b>							
Other assets <sup>(1)</sup>	8	–	38,548	–	–	38,548	38,548
Trade receivables	9	–	193,247	–	–	193,247	193,247
Cash and cash equivalents	11	–	229,756	–	–	229,756	229,756
<b>Financial liability measured at fair value</b>							
Interest rate swaps used for hedging	16	(1,054)	–	–	–	(1,054)	(1,054)
<b>Financial liabilities not measured at fair value</b>							
Liabilities relating to assets held for sale	10	–	–	(42,658)	–	(42,658)	(42,658)
Other payables <sup>(2)</sup>	16	–	–	(61,878)	–	(61,878)	(60,287)
Trade payables	20	–	–	(126,165)	–	(126,165)	(126,165)
Financial liabilities <sup>(3)</sup>	18	–	–	(1,226,242)	–	(1,226,242)	(1,226,242)
Financial lease liabilities	18	–	–	–	(113)	(113)	(113)
Notes payable	17	–	–	(378,691)	–	(378,691)	(365,091)
<b>31 December 2014</b>							
<b>Financial assets not measured at fair value</b>							
Other assets <sup>(1)</sup>	8	–	31,053	–	–	31,053	31,053
Trade receivables	9	–	159,580	–	–	159,580	159,580
Cash and cash equivalents	11	–	371,510	–	–	371,510	371,510



Group	Note	Fair value- hedging instruments US\$'000	Loans and receivables US\$'000	Other financial liabilities within scope of FRS 39 US\$'000	Other financial liabilities outside scope of FRS 39 US\$'000	Total carrying amount US\$'000	Fair value US\$'000
<b>31 December 2014</b>							
<b>Financial liability measured at fair value</b>							
Interest rate swaps used for hedging	16	(1,098)	–	–	–	(1,098)	(1,098)
<b>Financial liabilities not measured at fair value</b>							
Other payables <sup>(2)</sup>	16	–	–	(71,482)	–	(71,482)	(69,628)
Trade payables	20	–	–	(69,886)	–	(69,886)	(69,886)
Financial liabilities <sup>(3)</sup>	18	–	–	(1,180,321)	–	(1,180,321)	(1,180,321)
Financial lease liabilities	18	–	–	–	(191)	(191)	(191)
Notes payable	17	–	–	(315,532)	–	(315,532)	(318,578)
<b>Company</b>							
<b>31 December 2015</b>							
<b>Financial assets not measured at fair value</b>							
Other assets <sup>(1)</sup>	8	–	48,781	–	–	48,781	48,781
Trade receivables	9	–	8,077	–	–	8,077	8,077
Cash and cash equivalents	11	–	188,382	–	–	188,382	188,382
<b>Financial liability measured at fair value</b>							
Interest rate swaps used for hedging	16	(979)	–	–	–	(979)	(979)

<b>Company</b>	<b>Note</b>	<b>Fair value- hedging instruments US\$'000</b>	<b>Loans and receivables US\$'000</b>	<b>Other financial liabilities within scope of FRS 39 US\$'000</b>	<b>Other financial liabilities outside scope of FRS 39 US\$'000</b>	<b>Total carrying amount US\$'000</b>	<b>Fair value US\$'000</b>
<b>31 December 2015</b>							
<b>Financial liabilities not measured at fair value</b>							
Other payables <sup>(2)</sup>	16	–	–	(181,902)	–	(181,902)	(181,902)
Trade payables	20	–	–	(40)	–	(40)	(40)
Financial liabilities <sup>(3)</sup>	18	–	–	(272,888)	–	(272,888)	(272,888)
Financial lease liabilities	18	–	–	–	(113)	(113)	(113)
Notes payable	17	–	–	(378,691)	–	(378,691)	(365,091)
<b>31 December 2014</b>							
<b>Financial assets not measured at fair value</b>							
Other assets <sup>(1)</sup>	8	–	31,575	–	–	31,575	31,575
Trade receivables	9	–	4,053	–	–	4,053	4,053
Cash and cash equivalents	11	–	316,992	–	–	316,992	316,992
<b>Financial liability measured at fair value</b>							
Interest rate swaps used for hedging	16	(872)	–	–	–	(872)	(872)
<b>Financial liabilities not measured at fair value</b>							
Other payables <sup>(2)</sup>	16	–	–	(140,806)	–	(140,806)	(140,806)
Trade payables	20	–	–	(40)	–	(40)	(40)
Financial liabilities <sup>(3)</sup>	18	–	–	(173,784)	–	(173,784)	(173,784)
Financial lease liabilities	18	–	–	–	(191)	(191)	(191)
Notes payable	17	–	–	(315,532)	–	(315,532)	(318,578)

<sup>(1)</sup> Excludes advances to suppliers, prepayments, loan to investee company, available-for-sale equity securities, and deferred expenditure.

<sup>(2)</sup> Excludes downpayments and advances from customers, interest rate swaps used for hedging and deferred revenue.

<sup>(3)</sup> Excludes financial lease liabilities.

*Fair value hierarchy*

The tables below analyse fair value measurements for financial assets and financial liabilities, by the levels in the fair value hierarchy based on the inputs to valuation techniques. The different levels are defined as follows:

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- *Level 2*: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- *Level 3*: unobservable inputs for the asset or liability.

*Financial assets and financial liabilities carried at fair value*

	<b>Note</b>	<b>Level 1</b> <b>US\$'000</b>	<b>Level 2</b> <b>US\$'000</b>	<b>Level 3</b> <b>US\$'000</b>	<b>Total</b> <b>US\$'000</b>
<b>Group</b>					
<b>31 December 2015</b>					
<b>Liabilities</b>					
Interest rate swaps used for hedging	16	–	(1,054)	–	(1,054)
<b>31 December 2014</b>					
<b>Liabilities</b>					
Interest rate swaps used for hedging	16	–	(1,098)	–	(1,098)
<b>Company</b>					
<b>31 December 2015</b>					
<b>Liabilities</b>					
Interest rate swaps used for hedging	16	–	(979)	–	(979)
<b>31 December 2014</b>					
<b>Liabilities</b>					
Interest rate swaps used for hedging	16	–	(872)	–	(872)

*Financial assets and financial liabilities not carried at fair value but for which fair values are disclosed\**

<b>Group</b>	<b>Level 1 US\$'000</b>	<b>Level 2 US\$'000</b>	<b>Level 3 US\$'000</b>	<b>Total US\$'000</b>
<b>31 December 2015</b>				
<b>Liabilities</b>				
Other payables	–	(60,287)	–	(60,287)
Notes payable	(365,091)	–	–	(365,091)
<b>31 December 2014</b>				
<b>Liabilities</b>				
Other payables	–	(69,628)	–	(69,628)
Notes payable	(318,578)	–	–	(318,578)
<b>Company</b>				
<b>31 December 2015</b>				
<b>Liabilities</b>				
Notes payable	(365,091)	–	–	(365,091)
<b>31 December 2014</b>				
<b>Liabilities</b>				
Notes payable	(318,578)	–	–	(318,578)

\* Excludes financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair value due to their short-term nature and where the effect of discounting immaterial.

### **Valuation techniques and significant unobservable inputs**

The following tables show the valuation techniques used in measuring Level 2 fair values.

#### **Financial instruments measured at fair value**

<b>Type</b>	<b>Valuation technique</b>	<b>Significant unobserved input</b>	<b>Inter-relationship between key unobserved inputs and fair value measurements</b>
<b><u>Group and Company</u></b>			
Interest rate swaps used for hedging	Market comparison technique: The fair values are based on bank quotes.	Not applicable	Not applicable

### **33 Subsequent event**

- (a) In January 2016, the Group subscribed for 321,429 ordinary shares in the capital of Rotating Offshore Solutions Pte Ltd (“ROS”) for consideration of S\$18,000,000 and the consideration for the subscription shares were satisfied by the allotment and issuance of the shares of the Company at an issue price of S\$1.0287 per share. The subscription shares represent 30% of the capital of ROS and accordingly, is recognised as an investment in associate.
  
- (b) In February 2016, the Group proposed a bonus issue of up to 323,935,880 free warrants (“Warrants”), each Warrant carrying the right to subscribe for one new ordinary share in the capital of the Company (“New Share”) within four years from issuance date at an exercise price of S\$0.50 for each New Share. The Warrants shall be allotted to the shareholders of the Company on the basis of one Warrant for every five existing ordinary shares in the capital of the Company held by the shareholders of the Company as at the books closure date to be determined by the Group.

The Warrants and New Shares will be issued pursuant to the general mandate approved by the shareholders of the Company at the annual general meeting held on 22 April 2015.

## Appendix H

### Unaudited Financial Statements and Dividend Announcement for the Second Financial Quarter and Six Months Ended 30 June 2017 of Ezion Holdings Limited and its Subsidiaries

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# Ezion Holdings Limited

(Company No.: 199904364E)

## Second Quarter Financial Statement And Dividend Announcement For The Six Months Ended 30 June 2017

### PART1- INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1 (a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group (Second Quarter)		Incr/ (Decr)	Group (Year-To-Date)		Incr/ (Decr)
	3 months ended			6 months ended		
	30.06.2017	30.06.2016	%	30.06.2017	30.06.2016	%
	US\$'000	US\$'000		US\$'000	US\$'000	
Revenue	67,384	83,711	(19.5)	135,976	165,801	(18.0)
Cost of sales and servicing	(60,694)	(65,920)	(7.9)	(120,539)	(127,336)	(5.3)
<b>Gross profit</b>	<b>6,690</b>	<b>17,791</b>	<b>(62.4)</b>	<b>15,437</b>	<b>38,465</b>	<b>(59.9)</b>
Other income, net	10,639	15,321	(30.6)	10,854	29,176	(62.8)
Administrative expenses	(3,586)	(4,461)	(19.6)	(7,661)	(8,383)	(8.6)
Other operating expenses	(6,798)	(2,435)	N/M	(20,552)	(18,087)	13.6
<b>Results from operating activities</b>	<b>6,945</b>	<b>26,216</b>	<b>(73.5)</b>	<b>(1,922)</b>	<b>41,171</b>	<b>N/M</b>
Finance income	1,356	949	42.9	2,800	2,035	37.6
Finance costs	(8,695)	(7,492)	16.1	(16,674)	(16,187)	3.0
<b>Net finance costs</b>	<b>(7,339)</b>	<b>(6,543)</b>	<b>12.2</b>	<b>(13,874)</b>	<b>(14,152)</b>	<b>(2.0)</b>
Share of results of associates and jointly controlled entities (net of tax)	(1,599)	(10,587)	N/M	2,032	(2,370)	N/M
<b>(Loss)/Profit before income tax</b>	<b>(1,993)</b>	<b>9,086</b>	<b>N/M</b>	<b>(13,764)</b>	<b>24,649</b>	<b>N/M</b>
Income tax expense	(576)	(950)	(39.4)	(1,540)	(1,025)	50.2
<b>(Loss)/Profit after income tax</b>	<b>(2,569)</b>	<b>8,136</b>	<b>N/M</b>	<b>(15,304)</b>	<b>23,624</b>	<b>N/M</b>

(Loss)/Profit after tax is arrived at after crediting/(charging) the following items:-

	Group (Second Quarter)		Incr/ (Decr)	Group (Year-To-Date)		Incr/ (Decr)
	3 months ended			6 months ended		
	30.06.2017	30.06.2016	%	30.06.2017	30.06.2016	%
	US\$'000	US\$'000		US\$'000	US\$'000	
Other income <sup>1</sup>	11,995	16,270	(26.3)	13,654	31,211	(56.3)
Interest on borrowings	(8,695)	(7,492)	16.1	(16,674)	(16,187)	3.0
Depreciation of plant and equipment	(36,624)	(36,868)	(0.7)	(72,667)	(72,464)	0.3
Foreign exchange loss, net	(5,789)	(836)	N/M	(19,040)	(15,444)	23.3
Gain on disposal of subsidiaries, asset held for sale and plant and equipment	10,575	14,609	(27.6)	10,575	27,755	(61.9)

<sup>1</sup> Includes interest income and gain on disposal of subsidiaries and assets held for sale

N/M - not meaningful

See note 8 for more explanation on the income statement review

1(b)(i) Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30.06.2017 US\$'000	31.12.2016 US\$'000	30.06.2017 US\$'000	31.12.2016 US\$'000
<b>Non-current assets</b>				
Plant and equipment	2,152,857	2,198,446	295	406
Subsidiaries	-	-	1,222,245	1,285,514
Joint ventures	136,230	171,584	64,089	52,232
Associates	89,900	78,801	55,710	60,153
Other assets	6,050	4,941	6,596	2,241
	<b>2,385,037</b>	<b>2,453,772</b>	<b>1,348,935</b>	<b>1,400,546</b>
<b>Current assets</b>				
Trade receivables	194,622	178,899	8,631	9,599
Other current assets	237,659	164,086	88,051	68,053
Cash and cash equivalents	93,457	204,953	79,634	149,497
	<b>525,738</b>	<b>547,938</b>	<b>176,316</b>	<b>227,149</b>
<b>Total assets</b>	<b>2,910,775</b>	<b>3,001,710</b>	<b>1,525,251</b>	<b>1,627,695</b>
<b>Equity</b>				
Share capital	648,940	648,940	648,940	648,940
Perpetual securities	116,499	116,499	116,499	116,499
Redeemable exchangeable preference shares	23,464	23,464	-	-
Reserves	(27,606)	(31,549)	(979)	(1,541)
Retained earnings	539,643	558,030	(28,499)	798
<b>Total equity</b>	<b>1,300,940</b>	<b>1,315,384</b>	<b>735,961</b>	<b>764,696</b>
<b>Non-current liabilities</b>				
Financial liabilities	718,121	788,067	110,271	141,817
Notes payable	391,147	372,040	391,147	372,040
Other payables	23,655	33,961	73,246	112,082
	<b>1,132,923</b>	<b>1,194,068</b>	<b>574,664</b>	<b>625,939</b>
<b>Current liabilities</b>				
Trade payables	86,702	112,074	143	198
Other payables	43,280	42,846	98,069	110,240
Financial liabilities	340,481	331,055	112,704	122,912
Provision for taxation	6,449	6,283	3,710	3,710
	<b>476,912</b>	<b>492,258</b>	<b>214,626</b>	<b>237,060</b>
<b>Total liabilities</b>	<b>1,609,835</b>	<b>1,686,326</b>	<b>789,290</b>	<b>862,999</b>
<b>Total equity and liabilities</b>	<b>2,910,775</b>	<b>3,001,710</b>	<b>1,525,251</b>	<b>1,627,695</b>

See note 8 for more explanation on the statement of financial position review



**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

As at 30.06.2017		As at 31.12.2016	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
251,540	88,941	233,114	97,941

**Amount repayable after one year**

As at 30.06.2017		As at 31.12.2016	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
705,461	403,807	775,407	384,700

**Details of any collateral**

The Group's vessels are pledged to financial institutions as security for the term loans.

*Included in cash and cash equivalents an amount of US\$89,673,000 being earmarked by the banks for various facilities granted.*

**1(b)(iii) Statement of comprehensive income for three months ended 30 June 2017**

	Group (Second Quarter)			Group (Year-To-Date)		
	3 months ended 30.06.2017 US\$'000	30.06.2016 US\$'000	Incr/ (Decr) %	6 months ended 30.06.2017 US\$'000	30.06.2016 US\$'000	Incr/ (Decr) %
(Loss)/Profit after tax	(2,569)	8,136	N/M	(15,304)	23,624	N/M
<b>Other comprehensive income</b>						
<b><u>Items that may be reclassified subsequently to profit or loss:</u></b>						
Translation differences relating to financial statements of foreign operations	(1,079)	(2,114)	N/M	3,381	652	N/M
Share of foreign currency translation differences of associates	3,559	1,364	160.9	-	401	N/M
Exchange differences on monetary items forming part of net investment in foreign operations	-	(256)	N/M	-	1,346	N/M
Effective portion of changes in fair value of cash flow hedges	40	(21)	N/M	562	(1,181)	N/M
<b>Other comprehensive income for the period</b>	<b>2,520</b>	<b>(1,027)</b>	<b>N/M</b>	<b>3,943</b>	<b>1,218</b>	<b>N/M</b>
<b>Total comprehensive income for the period</b>	<b>(49)</b>	<b>7,109</b>	<b>N/M</b>	<b>(11,361)</b>	<b>24,842</b>	<b>N/M</b>
<b>Attributable to:</b>						
Owners of the Company	(49)	7,109	N/M	(11,361)	24,842	N/M

Note :

There are no tax effects relating to each component of other comprehensive income for the period.

***N/M - not meaningful***

1(c) Statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group (Second Quarter)		Group (Year-To-Date)	
	3 months ended		6 months ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cash flows from operating activities</b>				
(Loss)/Profit after tax	(2,569)	8,136	(15,304)	23,624
Adjustments for:				
Income tax expense	576	950	1,540	1,025
Depreciation expense	36,624	36,868	72,667	72,464
Gain on disposal of subsidiaries, assets held for sales and plant and equipment	(10,575)	(14,609)	(10,575)	(27,755)
Foreign exchange loss, net	5,789	836	19,040	(15,444)
Finance income	(1,356)	(949)	(2,800)	(2,035)
Finance costs	8,695	7,492	16,674	16,187
Financial guarantee income provided to joint ventures	-	(454)	(36)	(733)
Equity-settled share-based payment transactions	324	561	641	1,018
Share of results of associates and jointly controlled entities	1,599	10,587	(2,032)	2,370
Operating cash flow before working capital changes	39,107	49,418	79,815	70,721
Changes in working capital:				
Trade receivables and other assets	(10,393)	(16,679)	(19,391)	(22,244)
Trade and other payables	(30,503)	(3,575)	(35,393)	(4,576)
Cash generated from operating activities	(1,789)	29,164	25,031	43,901
Income tax paid	(564)	(915)	(1,374)	(1,056)
<b>Net cash (used in)/generated from operating activities</b>	<b>(2,353)</b>	<b>28,249</b>	<b>23,657</b>	<b>42,845</b>
<b>Cash flows from investing activities</b>				
Purchase of plant and equipment	(13,583)	(13,493)	(24,218)	(34,654)
Proceeds from disposal of assets held for sale	-	20,400	-	20,400
Advance payments for purchase of plant and equipment	(16,170)	(243)	(16,320)	(635)
Investments in joint ventures	-	(865)	(738)	(4,364)
Investments in associate	(11,447)	-	(14,653)	-
Interest received	887	404	1,550	928
<b>Net cash (used in)/generated from investing activities</b>	<b>(40,313)</b>	<b>6,203</b>	<b>(54,379)</b>	<b>(18,325)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	14,300	-	35,752	31,766
Repayment of borrowings	(54,188)	(49,640)	(97,343)	(109,927)
Interest paid	(11,174)	(9,055)	(20,693)	(17,357)
<b>Net cash used in financing activities</b>	<b>(51,062)</b>	<b>(58,695)</b>	<b>(82,284)</b>	<b>(95,518)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(93,728)</b>	<b>(24,243)</b>	<b>(113,006)</b>	<b>(70,998)</b>
Cash and cash equivalents at beginning of the period	186,972	206,340	204,953	229,756
Effect of exchange rate fluctuations	213	(988)	1,510	22,351
<b>Cash and cash equivalents at end of the period</b>	<b>93,457</b>	<b>181,109</b>	<b>93,457</b>	<b>181,109</b>

See note 8 for explanation on the statement of cash flows review



- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares and subsidiary holdings, if any, against the percentage of aggregate number of treasury shares and subsidiary holdings against the total number of issued shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

As at 30 June 2017, the share capital less treasury shares of the Company was 2,073,843,405 ordinary shares (2,077,027,405 issued ordinary shares less 3,184,000 treasury shares). As at 30 June 2016, the share capital less treasury shares of the Company was 1,595,254,740 ordinary shares (1,598,438,740 issued ordinary shares less 3,184,000 treasury shares).

As at 30 June 2017 and 30 June 2016, there were 300 redeemable exchangeable preference shares in a subsidiary available for exchange to 19,787,830 ordinary shares of the Company.

There were no subsidiary holdings as at 30 June 2017 and 30 June 2016.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at 30 June 2017, the issued and paid up share capital excluding treasury shares of the Company comprised 2,073,843,405 (31 December 2016: 2,073,843,405) ordinary shares.

As at 30 June 2017, subsidiary of the Company has 300 (31 December 2016: 300) redeemable exchangeable preference shares outstanding.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

The movement of treasury shares are as follows:

As at 1 January 2017 = 3,184,000 shares

Purchase of treasury shares during the period = Nil

Transfer of treasury shares during the period = Nil

As at 30 June 2017 = 3,184,000 shares

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed under item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2016.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted the new and revised FRSs and Interpretation of FRS (INT FRS) that are effective for financial periods beginning 1 January 2017. The adoption of these new and revised FRS and INT FRSs did not have material effect on the financial performance or position of the Group.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-**

	Group (Second Quarter) 3 months ended		Group (Year-To-Date) 6 months ended	
	30.06.2017	30.06.2016 Restated	30.06.2017	30.06.2016 Restated
(a) Based on weighted average number of ordinary shares in issue	-0.30 cts	0.39 cts	-0.92 cts	1.22 cts
(b) On a fully diluted basis	-0.30 cts	0.38 cts	-0.91 cts	1.21 cts

Note :

Weighted average ordinary shares for calculation of:

- Basic earnings per share	2,073,843,000	1,619,365,000	2,073,843,000	1,619,365,000
- Diluted earnings per share*	2,095,876,000	1,643,164,000	2,095,876,000	1,643,164,000

On 8 August 2016, the Company issued 478,576,422 ordinary shares pursuant to the rights issue on the basis of three (3) right shares for every ten (10) existing ordinary shares. Following the issue of right shares, the aggregate number of issued shares increased from 1,598,438,740 shares to 2,077,015,162 shares. As a result, the number of ordinary shares used for the per share calculations has been adjusted for retrospectively as required by FRS 33.

\* As the six months ended 30 June 2017 is in a loss position, share options and warrants were not included in the computation of the diluted earnings per share because these potential ordinary shares were anti-dilutive.7

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) current financial period reported on; and  
(b) immediately preceding financial year.

	Group		Company	
	30.06.2017	31.12.2016 Restated	30.06.2017	31.12.2016 Restated
Net asset value per ordinary share based on existing issued share capital excluding treasury shares as at the end of the period reported on	62.73 cts	63.43 cts	35.49 cts	36.87 cts

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### **INCOME STATEMENT REVIEW**

#### **2Q17 vs 2Q16**

The Group's revenue for the three months ended 30 June 2017 ("2Q17") decreased by US\$16.3 million (19.5%) to US\$67.4 million as compared to the corresponding three months ended 30 June 2016 ("2Q16"). The decrease in revenue was mainly due to:

- (i) reduction in charter rates;
- (ii) drop in utilisation rate of the Group's multi-purpose self-propelled jack-up rigs and Jack-up Rigs (collectively called "Service Rigs"); and
- (iii) further depression in utilisation rate of the Group's Offshore Support Vessels.

The cost of sales and servicing for 2Q17 decreased by US\$5.2 million (7.9%) to US\$60.7 million as compared to 2Q16.

As a result of the above, the Group's gross profit for 2Q17 decreased by US\$11.1 million (62.4%) to US\$6.7 million as compared to 2Q16.

The decrease in other income in 2Q17 as compared to 2Q16 was mainly due to the lower gain on disposal of subsidiaries, as compared to the gain on disposal of asset held for sale in 2Q16.

The other operating expenses in 2Q17 includes unrealised foreign exchange losses which amounted to approximately US\$5.8 million mainly due to the strengthening of the Singapore Dollar against the United States Dollar as at 30 June 2017 and this resulted in foreign exchange losses on the Group's Notes Payable.

The increase in finance costs in 2Q17 as compared to 2Q16 was mainly due to the additional interest expense for the funding of newly delivered Service Rigs.

The higher share of associates and jointly controlled entities' results in 2Q17 as compared to 2Q16 was mainly due to higher contributions from the Group's Joint Ventures and Associates.

The Group incurred loss before income tax of US\$2.0 million as a result of all the above.

Charter income derived from Singapore flagged vessels are exempted from tax under Section 13A of the Income Tax Act of Singapore. Current period income tax expense of US\$0.6 million relates to the corporate tax expense and withholding tax expense incurred by vessels operating in certain overseas waters.

#### **1H2017 vs 1H2016**

The Group's revenue for the six months ended 30 June 2017 ("1H17") decreased by US\$29.8 million (18.0%) to US\$136.0 million as compared to the corresponding six months ended 30 June 2016 ("1H16"). The decrease in revenue was mainly due to:

- (i) reduction in charter rates;
- (ii) drop in utilisation rate of the Group's multi-purpose self-propelled jack-up rigs and Jack-up Rigs (collectively called "Service Rigs"); and

(iii) further depression in utilisation rate of the Group's Offshore Support Vessels.

The cost of sales and servicing for 1H17 decreased by US\$6.8 million (5.3%) to US\$120.5 million as compared to 1H16.

As a result of the above, the Group's gross profit for 1H17 decreased by US\$23.0 million (59.9%) to US\$15.4 million as compared to 1H16.

The decrease in other income in 1H17 as compared to 1H16 was mainly due to lower gain arising from the disposal of subsidiaries as compared to the gain on assets held for sale in 1H16.

The decrease in administrative expenses in 1H17 as compared to 1H16 was mainly due to further cost cutting measures undertaken by the Group.

The other operating expenses in 1H17 includes unrealised foreign exchange losses which amounted to approximately US\$19.0 million mainly due to the strengthening of the Singapore Dollar against the United States Dollar as at 30 June 2017 and this resulted in foreign exchange losses on the Group's Notes Payable.

The higher share of associates and jointly controlled entities' results in 1H17 as compared to 1H16 was mainly due to higher contributions from the Group's Joint Ventures and Associates.

As a result of the above, the loss before income tax for 1H17 stands at US\$13.8 million.

Charter income derived from Singapore flagged vessels are exempted from tax under Section 13A of the Income Tax Act of Singapore. Current period income tax expense of US\$1.5 million relates to the corporate tax expense and withholding tax expense incurred by vessels operating in certain overseas waters.

## **STATEMENT OF FINANCIAL POSITION REVIEW**

### **Non-current Assets**

The Group's Non-current Assets amounted to US\$2,385.0 million as at 30 June 2017. The decrease in Non-current Assets was mainly due to depreciation charges on Plant and Equipment during the period. The decrease in Joint Ventures was mainly due to the transactions in relation to the acquisition and subsequent divestment of joint ventures as announced on 28 March 2017 and 31 March 2017. The decrease is offset by the increase in investment in associates.

### **Current Assets**

The Group's Current Assets amounted to US\$525.7 million as at 30 June 2017. The decrease Current Assets was mainly due to the repayment of loans, interest cost, deployment of funds towards the Group's Service Rigs. The decrease is offset by the increase in Trade Receivables and Other Current Assets, mainly due to the increase in amount owing from joint ventures.

### **Total Liabilities**

The Group's Total Liabilities amounted to US\$1,609.8 million as at 30 June 2017. The decrease in Total Liabilities was due mainly to repayment of loans due to banks offset by the increase in the Group's Notes Payable arising from the strengthening of the Singapore Dollar against the United States Dollar as at 30 June 2017. Included in Other Payables were the advance payments, performance deposits received, deferred revenue and accrued expenses.

### **Total Equity**

The decrease in Total Equity was attributable mainly due to the losses incurred in the period.

## **STATEMENT OF CASH FLOWS REVIEW**

### **Cash Flow from Operating Activities**

The Group's net cash inflow from operating activities was US\$23.7 million. This was mainly due to the net cash generated by the operations of the Group.

### **Cash Flow from Investing Activities**

The Group's net cash used in investing activities was US\$54.4 million. This was mainly due to the deployment of funds towards the Group's Service Rigs.

### **Cash Flow from Financing Activities**

The Group's net cash used in financing activities was US\$82.3 million. This was mainly due to repayment of bank borrowings and interest costs during the period.

#### **9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

In line with the prospect statement made in 1Q17.

#### **10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Brent oil prices have dropped from about US\$110 per barrel in June 2014 to below US\$30 per barrel in January 2016 and although the oil price has recovered modestly since, it has however been predominantly hovering around US\$52 per barrel range. It is noteworthy to highlight that an independent research report had forecasted that the "oil price deck (*or drop*) to a flat c.US\$50 per barrel (\$55-60 prior) for 2017-19..."<sup>1</sup> Consequently the Group does not expect any significant increase in the capital and operating expenditure of oil and gas companies over the next 12 months. Furthermore, it was reported that "languishing oil prices and a difficult outlook would hamper any recovery in Singapore's oil and gas sector"<sup>2</sup>.

The Group thus has been affected by the above and has witnessed charter rates being significantly depressed for most of the Service Rigs as compared to the pre-2014 period, and the depressed charter rates look likely to continue for the next 12 months. Furthermore, collection of receivables continues to be slow. If the situation worsens, significant impairments may be needed.

The Group intends to continue to work hard to maintain its focus on reviewing all capital expenditure to conserve cashflow as well as embarking on further cost rationalization within the entire organization to reduce costs to a more prudent level without affecting the safe operations of its fleet. It is without doubt that there is demand for Self-Propelled Service Rigs ("Liftboats") services in Asia, Middle East and West Africa for production related activities in the offshore oil and gas industry as well as strong potential to support the growing offshore windfarm industry. Ezion, being the biggest operator of Liftboats in Asia that runs the most advanced fleet of Liftboats in the world, will continue to maintain its focus on maximizing the utilization rate for this class of assets. Notwithstanding the focus on these Service Rigs, Ezion is exploring various options to reorganize its offshore logistics vessels division, which comprises mainly towing tugs and barges, to enhance its currently low utilization rate in a very competitive space.

The Group is cognizant of the need to incur additional capital expenditure to upgrade, modify and mobilize the existing fleet of Service Rigs which have secured contracts. The Group is endeavoring to put at least 6 Service Rigs back to work by end 2017 / early 2018. However, the successful deployment of these Service Rigs could be badly disrupted due to the shortage of cashflows as a result of existing low charter rates and slow payments by clients. Hence, the Group has been in discussions with financial institutions to secure additional funding to deploy these Service Rigs, but some of the financial institutions appear to remain extremely cautious in providing additional funds for working capital and capital expenditure to this sector.

The Group may face even greater difficulty going forward if the situation does not significantly improve or a comprehensive solution to address the Group's cashflow requirements is not found. We will have to engage all our stakeholders such as our lenders for support and to our mutual advantage.

Source:

<sup>1</sup> Macquarie Research (21 June 2017)

<sup>2</sup> The Straits Times (17 June 2017)



**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable

**12. If no dividend has been declared/recommendeded, a statement to that effect**

Not applicable

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

There was no interested person transaction during the period under review. The Company has not obtained a general mandate from shareholders for interested person transaction.

**14. Confirmation of undertakings from Directors and Executive Officers**

The Company has procured undertakings from all its directors and executive officers in compliance with Listing Rule 720(1).

**BY ORDER OF THE BOARD**

**Lee Tiong Hock**  
**Company Secretary**

**14 August 2017**

**Confirmation by the Board  
Pursuant to SGX Listing Rule 705(5)**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the three months ended 30 June 2017 to be false or misleading in any material aspects.

**On behalf of the Board of Directors**

**Dr Wang Kai Yuen  
Chairman & Non-executive Director**

**Chew Thiam Keng  
Executive Director & CEO**

**14 August 2017**

**The Issuer**

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